

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

TUESDAY
January 24, 2012
11:30 A.M.

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

AGENDA

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

DISCUSSION ITEMS

3. APPROVE THE ACQUISITION OF AN EASEMENT FROM THE CITY OF CHULA VISTA FOR THE 24-INCH WUESTE ROAD PIPELINE PORTION OF THE RE-CYCLED WATER SUPPLY LINK PROJECT IN AN AMOUNT NOT-TO-EXCEED \$66,800 (COBURN-BOYD) [5 minutes]
4. APPROVE CHANGE ORDER NO. 3 TO THE EXISTING CONTRACT WITH MONTGOMERY WATSON HARZA FOR THE RALPH W. CHAPMAN WATER RECYCLING FACILITY UPGRADE PROJECT, IN AN AMOUNT NOT-TO-EXCEED \$21,500 (COBURN-BOYD) [5 minutes]
5. APPROVE THE INCREASE OF CIP BUDGETS FOR FOUR (4) CAPITAL IMPROVEMENT PROJECTS: (CAMERON) [10 minutes]
 - a) CIP S2019 IN AN AMOUNT NOT-TO-EXCEED \$150,000
 - b) CIP S2020 IN AN AMOUNT NOT-TO-EXCEED \$50,000
 - c) CIP S2022 IN AN AMOUNT NOT-TO-EXCEED \$20,000
 - d) CIP S2026 IN AN AMOUNT NOT-TO-EXCEED \$30,000

FOR A TOTAL INCREASE OF \$250,000 AGAINST THE TOTAL BUDGET OF \$2,850,000; AND AWARD A CONSTRUCTION CONTRACT TO GARCIA JUAREZ CONSTRUCTION, INC. IN AN AMOUNT NOT-TO-EXCEED \$2,316,276 FOR THE

AVOCADO BOULEVARD, CALAVO DRIVE, LOUISA DRIVE, HIDDEN MESA DRIVE
SANITARY SEWER REPLACEMENT PROJECT

6. INFORMATIONAL REPORT ON THE ARCHITECTURAL DESIGN FOR THE RAN-
CHO DEL REY WELL PROJECT (MARCHIORO) [5 minutes]
7. APPROVE THE INCREASE IN THE BUDGET FOR CIP P2370 IN THE AMOUNT OF
\$25,000 (INCREASING THE OVERALL CIP BUDGET FROM \$1,210,000 TO
\$1,235,000) AND AUTHORIZE DISTRICT STAFF TO SEND AN IMPROVEMENT
NOTICE TO 63 CUSTOMERS SURROUNDING THE DORCHESTER RESERVOIR
(MARCHIORO) [5 minutes]
8. SAN DIEGO COUNTY WATER AUTHORITY UPDATE (WATTON) [10 minutes]
9. ADJOURNMENT

BOARD MEMBERS ATTENDING:

Gary Croucher, Chair
Jose Lopez

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 January 20, 2012 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 January 20, 2012.



Susan Cruz, District Secretary

AGENDA ITEM 3



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	February 1, 2012
SUBMITTED BY:	Lisa Coburn-Boyd <i>LCB</i> Environmental Compliance Specialist	PROJECT/ SUBPROJECT:	R2087-001102 DIV. NO. 1
	Ron Ripperger <i>RR</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>R Posada</i> Chief, Engineering		
APPROVED BY: (Asst. GM)	Manny Magaña <i>M Magaña</i> Assistant General Manager of Engineering and Operations		
SUBJECT:	Authorization to Acquire an Easement from the City of Chula Vista for the Wueste Road portion of the Recycled Water Supply Link Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board authorizes the General Manager to acquire an easement from the City of Chula Vista for the 24-inch Wueste Road pipeline portion of the Recycled Water Supply Link Project in an amount not-to-exceed \$66,800 (see Exhibit A for location of the easement).

COMMITTEE ACTION:

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to acquire an easement from the City of Chula Vista for the 24-inch Wueste Road pipeline portion of the Recycled Water Supply Link Project in an amount not-to-exceed \$66,800.

ANALYSIS:

The Wueste Road pipeline portion of the Recycled Water Supply Link Project consists of the construction of a 24-inch steel recycled water main in Wueste Road in Chula Vista. The alignment of the

pipeline will follow Wueste Road from the intersection of Wueste Road and Olympic Parkway, where it connects to an existing 16-inch recycled pipeline, south to the entrances of the City of San Diego's Otay Water Treatment Plant (OWTP) and the County of San Diego's Otay Lakes County Park. Here, the pipeline will turn west and then south to its terminus at an existing 30-inch recycled water pipeline at the southwestern edge of the OWTP. Currently, the design is complete for the entire Otay Mesa Supply Link Project, but the Project is on hold pending successful negotiations with the City of San Diego regarding recycled water.

Construction of the Wueste Road segment would be completed primarily using cut and cover trenching, except for one location where tunneling is required to avoid impacts to existing underground utilities. Construction activities will be limited to paved portions of the roads within the existing utility rights-of-way, where feasible; and construction staging areas are anticipated to be sited in existing developed areas. However, some sections of construction in the southern portion of the Project area would extend beyond the paved areas of the road.

The easements include a pipeline easement of 0.610 acres and a temporary construction easement of 2.488 acres. Portions of the easements are within the City of Chula Vista's Multiple Species Conservation Program 100% Preserve lands and the District is in the process of obtaining a Habitat Loss Incidental Take (HLIT) permit from the City of Chula Vista for impacts to any vegetation within the 100% preserve. The conditions of the HLIT will require that the District restore any sensitive vegetation impacted by the construction and maintain and monitor the restoration for five years or until the success criteria for these areas are met. The sensitive vegetation areas that will be impacted by the construction include 1.63 acres of coastal sage scrub and 0.16 acres of maritime succulent scrub. The HLIT permit and its conditions are also included in the purchase agreement for the easements.

The District retained the appraisal services of Keagy Real Estate, an independent real estate appraiser, to estimate the "Fair Market Value" of the proposed acquisition, as that value is defined in Section 1263.320 of the California Code of Civil Procedure. On the basis of this independent fee appraisal, and initial discussions with the City of Chula Vista, the District has determined that the amount of \$66,800.00 constitutes just compensation. The fee appraisal (Attachment C) and grant of easement documents (Attachment D) were sent to Rick Ryals, Real Property Manager at the City of Chula Vista, for his review. He will be presenting the offer to the Chula Vista City Council in January 2012. Upon approval of the Chula Vista City Council and the District's Board of Directors, a purchase agreement

(Attachment E) will be signed by both parties and the easement documents will be executed.

FISCAL IMPACT:



Funding for this easement will come from CIP R2087 for the Wueste Road Pipeline. The total budget for R2087, as approved in the FY 2012 budget, is \$7,000,000. Total expenditures, plus outstanding commitments to date, including the purchase of these easements, are approximately \$972,538. See Attachment B for budget detail.

Based on a review of the financial budget, the Project Manager has determined that the budget for CIP R2087 will be sufficient to support this Project.

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

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide customers with the best quality water, wastewater, and recycled water service in a professional, effective, and efficient manner".

LEGAL IMPACT:

None.



General Manager

P:\WORKING\CIP R2087\Staff Reports\BD 02-01-12 CIP Wueste Road City of Chula Vista Easement Acquisition, (LCB-RR).doc
LCB/RR:jf

- Attachments: Attachment A - Committee Action
Attachment B - Budget Detail
Attachment C - Fee Appraisal
Attachment D - Grant of Easement Documents
Attachment E - Purchase Agreement



ATTACHMENT A

SUBJECT/PROJECT: R2087-001102	Authorization to Acquire an Easement from the City of Chula Vista for the Wueste Road portion of the Recycled Water Supply Link Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on January 24, 2012. The Committee supported Staff's recommendation.

NOTE:

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



ATTACHMENT B

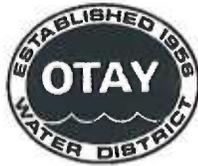
SUBJECT/PROJECT: R2087-001102	Authorization to Acquire an Easement from the City of Chula Vista for the Wueste Road portion of the Recycled Water Supply Link Project
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Otay Water District

Date Updated: December 13, 2011

R2087 - RecPL-20-inch,944 Zone,Wueste Rd-Olympic/Otay WTP

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
7,000,000					
Planning					
Labor	86,161	86,161		86,161	
Consultant Contracts	81,595	81,595	-	81,595	JONES & STOKES ASSOCIATES INC
	47,846	47,846	-	47,846	LEE & RO INC
	11,100	11,100	-	11,100	HARRIS & ASSOCIATES INC
Service Contracts	234	234	-	234	UNION TRIBUNE PUBLISHING CO
	121	121	-	121	SAN DIEGO DAILY TRANSCRIPT
Total Planning	227,056	227,056	-	227,056	
Design					
Labor	482,649	482,649		482,649	
Mileage Reimbursement	-	-	-	-	PETTY CASH CUSTODIAN
Meals and Incidentals	56	56	-	56	US BANK CORPORATE PAYMENT
Business Meetings	205	205	-	205	US BANK CORPORATE PAYMENT
Regulatory Agency Fees	6,902	6,902	-	6,902	COUNTY OF SAN DIEGO
	6,667	6,667	-	6,667	CITY TREASURER
	6,320	6,320	-	6,320	CITY OF CHULA VISTA
	156	156	-	156	STATE WATER RESOURCES
Other Agency Fees	4	4	-	4	PETTY CASH CUSTODIAN
Consultant Contracts	41,821	41,821	-	41,821	SOUTHERN CALIFORNIA SOIL
	25,740	25,740	-	25,740	DARNELL & ASSOCIATES INC
	23,274	23,274	-	23,274	AEGIS ENGINEERING MGMT INC
	14,701	14,701	-	14,701	CPM PARTNERS INC
	9,500	9,500	-	9,500	ENGINEERING PARTNERS INC, THE
	7,870	7,870	-	7,870	MORENO AERIAL PHOTO
	5,451	5,451	-	5,451	FLOW SCIENCE INC
	4,988	4,988	-	4,988	WRA & ASSOCIATES INC
	2,450	2,450	-	2,450	MWH CONSTRUCTORS INC
Professional Legal Fees	770	770	-	770	GARCIA CALDERON & RUIZ LLP
Service Contracts	8,750	8,750	-	8,750	MICHAEL D KEAGY REAL ESTATE
	6,660	2,503	4,157	6,660	REPROHAUS CORP
	2,750	2,750	-	2,750	FIRST AMERICAN TITLE INS CO
	1,100	1,100	-	1,100	CABLE PIPE & LEAK DETECTION
	138	138	-	138	UNION TRIBUNE PUBLISHING CO
	12	12	-	12	US BANK CORPORATE PAYMENT
For Ops Only - Contracted Se	5,118	5,118	-	5,118	KIRK PAVING INC
Cameras, Survey Equipment	96	96	-	96	LEWIS & LEWIS ENTERPRISES
Infrastructure Equipment & Ma	600	600	-	600	CITY OF CHULA VISTA
Easements	66,800	66,800	-	66,800	CITY OF CHULA VISTA
Total Design	731,547	727,390	4,157	731,547	
Construction					
Labor	7,056	7,056		7,056	
Consultant Contracts	4,653	4,653	-	4,653	RBF CONSULTING
Consultant Contracts	1,983	1,983	-	1,983	CPM PARTNERS INC
Service Contracts	243	243	-	243	SAN DIEGO DAILY TRANSCRIPT
Total Construction	13,935	13,935	-	13,935	
Grand Total	972,538	968,381	4,157	972,538	



ATTACHMENT C

SUBJECT/PROJECT: R2087-00102	Authorization to Acquire an Easement from the City of Chula Vista for the Wueste Road portion of the Recycled Water Supply Link Project
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Copy of the appraiser's Summary of the Basis for the Amount Established as Just Compensation.

SUMMARY OF THE BASIS FOR THE AMOUNT
ESTABLISHED AS JUST COMPENSATION
(accompanying offer made pursuant to Government Code § 7267.2)

The following is a summary of the basis for the amount that the Otay Water District established as just compensation, which was derived from an appraisal as approved by the Otay Water District. The appraisal was made in accordance with accepted appraisal principles, consistent with California valuation law. A statement of the appraisal process, which was the basis for the valuation conclusions, follows.

Project: Wueste Road Recycled Water Pipeline

Parcel No.: 643-040-06; 644-080-11

Thomas Guide No.: Page 1332, A-2, 3, 4

Ownership Data:

Name: City of Chula Vista
c/o Richard A. Ryals, Real Property Manager

Address: 276 Fourth Avenue, Chula Vista, CA 91910

Phone: (619) 691-5118

Property Location: West of Lower Otay Reservoir and the City of San Diego
Otay Water Treatment Plant, City of Chula Vista

Legal Description: A portion of Lots 3 and 4 of Otay Rancho, according to Map Thereof No. 862, filed in the office of the San Diego County Recorder, February 7, 1900 and; the 45.86 acres within APN 643-040-06.

Land Area: 258.36 acres; 86 acres in the Otay Ranch University Site, 172.36 acres in the Otay Ranch/City of Chula Vista MSCP Preserve

Land Area to be Acquired: Permanent Pipeline Easement: 0.61 acres
Temporary Construction Easement: 2.488 acres

Improvements in Area Sought: None

Land Use Regulations: Zoning: P-C (Planned Community)
General Plan: PQ (Public/Quasi Public)
Other: University Site and Preserve; Otay Ranch GDP, City of Chula Vista MSCP Subarea Plan

Present Use: Vacant acreage

Interest Being Valued:	Permanent Recycled Water Pipeline – Fee Simple Temporary Construction Easement
Effective Date of Value:	April 15, 2010
Value of the Parts to be Acquired:	\$66,784
Net Severance Damages:	None
JUST COMPENSATION: Fair Market Value	\$66,800

(a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.

(b) The fair market value of property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable. (Amended by Stats.1992, c. 7 (S.B.821), §2.)

¹ California Code of Civil Procedure, Title 7, Chapter 9 Article 4, Paragraph §1263.320.

Highest and Best Use

Highest and best use is generally defined as the reasonably probable use which is legally permissible, physically possible, and financially feasible and results in the maximally productive land use. In evaluating highest and best use, the appraiser first evaluates the property as if unimproved and available for development. If improved, the property is then evaluated with the improvements. The larger parcel is vacant and only the highest and best use, as if vacant, applies.

The highest and best use of the larger parcel is development of the 86-acre University Site with ancillary university uses (estate housing etc.) and marketing/selling the 172.36-acre Preserve area as environmentally sensitive mitigation acreage.

Valuation Methodology and Valuation Analysis

Three primary valuation techniques are available to real estate appraisers; the Cost Approach, the Sales Comparison Approach, and the Income Approach. The Sales Comparison Approach is the only applicable methodology in estimating the value of the larger parcel. The Sales Comparison Approach is primarily based on the principle of substitution. Simply stated, a buyer presumably will not pay more for a property than the cost of acquiring a similar property of equal utility. A conclusion of fair market value is reached by comparing the larger parcel with similar land parcels that have sold recently. The appraiser searched for recent sales of parcels with a highest

and best use of university development/estate residential/community facilities and environmentally sensitive acreage. The contributory value of the each land component was estimated and combined to estimate the value of the larger parcel. The Cost Approach was not applicable in this analysis.

A total of nine comparable land transactions are analyzed in the appraisal report (see attached market data table). The unit rate used in the appraisal is the price per gross acre. The four environmental sales ranged in price from \$10,042 to \$36,452 per gross acre. A value of \$25,000 per gross acre was concluded based on analyzing various elements of comparison.

The five development land sales ranged in price from \$193,078 to \$524,246 per gross acre. The land sale at the top of the range has multi-family development potential and was not given significant weight in the valuation analysis. The sale was included due to the proximity to the larger parcel. After adjustment the market data have a price range of about \$131,000 per gross acre to \$312,000 per gross acre after excluding the multi-family land sale. With emphasis on the "highest price" definition of fair market value, it is concluded that the contributory fair market value of the development land portion of the larger parcel is \$200,000 per gross acre based on analyzing various elements of comparison.

The larger parcel is a combination of two contiguous Assessor parcels totaling 258.36 acres. The land area of larger parcel is divided into 172.36 acres of Preserve land and 86 acres of development land. The Preserve lands have a contributory value of \$25,000 per gross acre and the development land portion has a contributory value of \$200,000 per gross acre. The overall value of the larger parcel is \$21,509,000 (172.36 acres x \$25,000/ac + 86 acres x \$200,000/acre).

Site Improvements

No site improvements are impacted by the public project.

Public Project Discussion

The purpose of the District's recycled water program is to reduce the demand for imported water, maximize the use of local water supplies and provide a continuous and dependable source of supplemental water for the area. This project is needed because dependable water supplies in Southern California are becoming more difficult to develop and maintain as imported water becomes less reliable.

The recycled water project includes three separate locations in the South Bay. The project traverses portions of the Cities of Chula Vista and San Diego as well as the unincorporated San Diego County. The three-pipeline proposed project would extend along Wueste Road within the County of San Diego and the City of Chula Vista, along Alta Road in the City of San Diego, and along Airway/La Media Road in the City of San Diego. The larger parcel is located in the Wueste Road pipeline segment.

Value of the Parts to be Acquired

Permanent Recycled Water Pipeline Easement

The proposed 0.61-acre permanent recycled water pipeline easement is located adjacent to the easterly property boundary of the larger parcel. The easement traverses both development land (0.31 ac) acre and the Preserve area (0.30 ac). The value of the proposed easement area has the same value as the contributory value of the Preserve lands and development acreage as part of the larger parcel. Preserve lands have a contributory value of \$25,000 per gross acre. The development acreage has a contributory value of \$200,000 per gross acre. Since the easement rights allow the removal of vegetation and surface uses, an estimated 90% of available property rights are being acquired in the portion of the easement traversing the Preserve lands. The easement acquisition through the development acreage is concluded to acquire 50% of available property rights since the City of Chula Vista will retain most of the surface and air rights and the area can still be used for landscaping, density calculations, etc.

The value of the permanent recycled water pipeline easement to be acquired as a part of the larger parcel is calculated below.

<u>Value of the Permanent Recycled Water Pipeline Easement</u>		
0.30 acres x \$ 25,000/acre x 90% =	\$	6,750
0.31 acres x \$200,000/acre x 50% =		<u>31,000</u>
0.61 acres	TOTAL	\$37,750

Temporary Construction Easement

The Otay Water District needs a 2.488-acre TCE for the construction of the pipeline project. The duration of the TCE is 12 months according to the easement document. The fair market value of the land subject to the TCE is \$322,600 (1 ac x \$25,000/ac + 1.488 ac @ \$200,000/ac). At a rental value of 9% per year, the annual rental value of the land is \$29,034 (\$322,600 x 9%). Reasonable compensation for the TCE is concluded to be \$29,034.

Site Improvements

There are no site improvements in the area of the permanent recycled water pipeline easement or the temporary construction easement.

Total Value of the Parts to be Acquired

The total value of the part to be acquired is calculated below.

<i>Permanent Recycled Pipeline Easement:</i>	\$37,750
<i>Temporary Construction Easement:</i>	29,034
<i>Improvements</i>	<u>0</u>
TOTAL	\$66,784

Value of the Remainder as Part of the Larger Parcel

The value of the remainder as part of the larger parcel is calculated by subtracting the value of the part to be acquired from the value of the larger parcel, as follows:

Value of the Larger Parcel:	\$21,509,000
Value of the Part to be Acquired	<u>(66,784)</u>
Value of the Remainder as Part of the Larger Parcel	\$21,442,216

Value of the Remainder Before Consideration of Benefits

The acquisition of a 0.61-acre permanent recycled water pipeline easement and a one year 2.488-acre temporary construction easement along the most easterly portion of the larger parcel does not impact the remainder's highest and best use. The larger parcel is a combination of 86 acres of development land as part of the Otay Ranch University Site and 172.36 acres of Preserve lands. There are no current plans for the development acres. The planning process has not yet determined permitted uses on the site. The construction of the public project should not interfere with any future uses of the larger parcel. The highest and best of the remainder is identical in the before and after condition. Therefore, the value of the remainder before consideration of benefits is concluded at \$21,422,216, identical to the value of the remainder as part of the larger parcel.

Severance Damages

Severance damages are factors which cause a decline in the fair market value of the remainder after acquisition and construction of a public project. These damages can be a result of the physical and legal acquisition of property rights (i.e., irregular remaining lot shape or size, loss of access rights, etc.) or can be the result of construction of the project (i.e. increased road noise, incompatible land use, etc.).

The value of the remainder as part of the larger parcel and the value of the remainder before consideration of benefits is identical. Therefore, no severance damages are supported by the construction or operation of the public project.

Value of the Remainder After Consideration of Benefits

In the body of the report it was stated that the public project did not produce any benefits which would increase the value of the remainder. The proposed project will not increase the value of the remainder since the remainder does not have an identified need for recycled water. Therefore, the value of the remainder after consideration of benefits is concluded to be \$21,422,216, identical to the value of the remainder before the consideration of benefits.

Benefits

Benefits to the remainder are those reasonably certain benefits which cause the fair market value of the remainder to increase as a result of construction and operation of the public project. Benefits to the remainder can wholly or partially offset severance damages but cannot offset compensation for the parts acquired in State of California condemnation acquisitions. The value

of benefits is calculated as the difference between the value of the remainder before consideration of benefits and the value of the remainder after the consideration of benefits.

The value of the remainder before consideration of benefits and the value of the remainder value after consideration of benefits are both concluded at \$21,422,216. Therefore, no benefits are created by the construction or operation of the public project.

Summary of Values

The following table summarizes the just compensation for the parts to be acquired in the City of Chula Vista ownership.

SUMMARY OF VALUES			
Larger Parcel Value	\$21,509,000		
Value of the Part to be Acquired			
<i>Permanent Recycled Water Pipeline Easement</i>			\$37,750
<i>Temporary Construction Easement</i>			<u>29,034</u>
			\$66,784
Value of Remainder as Part of the Larger Parcel	\$21,422,216		
Value of Remainder Before Consideration of Benefits	\$21,422,216		
Severance Damages		\$0	
Value of Remainder After Consideration of Benefits	\$21,422,216		
Benefits		<u>0</u>	
Net Severance Damages			<u>\$ 0</u>
Total Compensation			\$66,784
Rounded (up to nearest \$100)			\$66,800

Total compensation for the parts to be acquired within the City of Chula Vista ownership is concluded to be \$66,800 as of April 15, 2010.

EXHIBIT A. ENVIRONMENTALLY SENSITIVE LAND SALE SUMMARY

Data No./Location Assessor Parcel No.	Buyer/Seller	Sale Price	Sale Terms	Rec. Date Doc. No.	Lot Size/Shape Zoning	Price Per AC
(1) West of Santee Lakes, northeast of the Sycamore Landfill, East Elliott area, City of San Diego (366-040-15)	Department of Veterans Affairs Robert A. And Patricia Kleinschmidt, et. Al	\$600,000	Cash	12/10/07 0761866	16.46 AC Irregular RS-1-8	\$36,452
(2) West side of Rangeland Road and north of Highland Road, Ramona Community, unincorporated San Diego County (277-050-32)	Kearny PCCP Otay 311, LLC David J. Kahn, Trustee	\$1,350,000	Cash	12/04/08 0620654	63.07 AC Irregular S88	\$21,405
(3) North and south of the Otay River, east of State Route 125, Otay Ranch Preserve, City of Chula Vista (646-010-06)	The County of San Diego Otay Land Company, LLC	\$1,500,000	Cash	02/28/06 0139662	113.53 AC Irregular P-C	\$13,212
(4) South of Suncrest Boulevard, Crest Community, unincorporated San Diego County (Por 512-120-03; now 512-120-09)	Mildred O. Moorman, Trustee Endangered Habitat's League	\$1,275,000	Cash	02/18/09 0080051	126.97 AC Irregular A70	\$10,042

EXHIBIT A. DEVELOPMENT LAND SALE SUMMARY

Data No./Location Assessor Parcel No.	Buyer/Seller	Sale Price	Sale Terms	Rec. Date Doc. No.	Lot Size/Shape Zoning	Price Per AC
(1) South of the intersection of Wueste Road and Olympic Parkway, City of Chula Vista (643-040-17, 18, 19)	Not Disclosed	\$16,000,000	Not Disclosed	Escrow	30.52 AC Irregular RMS	\$524,246
(2) East side of Interstate 15 and south of Pala Mesa Heights Road, Fallbrook Community, unincorporated San Diego County (108-120-55; 108-121-16)	Palomar Community College 15-76 Partnership and Pala Village Investment Inc.	\$38,241,902	Cash	06/14/07 0403363	85.31 AC Irregular S90	\$448,270
(3) Northeast quadrant of Discovery Falls and Winding Walk Street, City of Chula Vista (643-610-41)	Concorida Lutheran Church and School Brookfield Shea Otay LLC	\$2,264,500	Private financing terms are not available; seller received all-cash	04/29/08 0227242	5.52 AC Irregular	\$410,236
(4) South side of Pomerado Road, east of Scripps Ranch Boulevard, Scripps Ranch Community, City of San Diego (363-080-41)	Alliant International University HRS Education Services, Inc.	\$17,000,000	Cash	04/16/07 0254662	64.25 AC Irregular RS-1-8	\$264,591
(5) Northeast quadrant of Vista Grande Road and Canta Lomas, Granite Hills Community, unincorporated San Diego County (515-070-03, 06, 07)	Suncor Ambiance LLC Reynolds Ambiance LLC	\$5,300,000	Cash	08/21/07 0557420	27.45 AC Irregular RR-1	\$193,078



ATTACHMENT D

SUBJECT/PROJECT: R2087-001102	Authorization to Acquire an Easement from the City of Chula Vista for the Wueste Road portion of the Recycled Water Supply Link Project
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Copy of the Grant of Easement Documents.

RECORDING REQUESTED BY
AND AFTER RECORDATION
MAIL TO:

For Recorder's Use

OTAY WATER DISTRICT
2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CA 91977-7299

Documentary Transfer Tax: None
(Exempt under Rev & Tax Code Section 11922)

**GRANT OF PERMANENT EASEMENT AND RIGHT-OF-WAY TO
OTAY WATER DISTRICT**

APN: 644-080-11

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned **THE CITY OF CHULA VISTA, A MUNICIPAL CORPORATION**, as **Grantor(s)** hereby **GRANT(S) to OTAY WATER DISTRICT**, a municipal water district formed under the Municipal Water District Law of 1911, as amended, situated in the County of San Diego, State of California, as **Grantee**, a permanent easement and right to occupy the surface and subsurface of the easement for the purpose of constructing, installing, operating, repairing and replacing a water pipeline or pipelines, together with related meters, valves, vaults, vents, and other appurtenant fixtures, including all underground and surface structures appurtenant to said water lines, including but not limited to power lines for transmission and communication purposes related to **Grantee's** operations, pumps, regulators, valves, hereinafter referred to as "said facilities" together with the right of unobstructed ingress and egress therefrom and the right to keep the easement area at all times clear of buildings, structures and other objects which occupy or physically intrude on the land (either permanently or temporarily) and from toxic or hazardous materials, trees and other objects or growths detrimental to the uses herein granted. Said easement is described and/or depicted as follows:

See Exhibits 'A' and 'B' attached hereto and made a part hereof

Grantor reserves the right to use said land at Grantor's own risk for any and all purposes not conflicting, interfering or inconsistent with Grantee's use of said facilities. Grantor waives any right under Civil Code section 845, and any right to compel Grantee to grade, surface or otherwise improve or maintain said easement area as a roadway.

Grantor shall not increase or decrease or permit to be increased or decrease the ground elevations of said easement existing at the time this document is executed, nor construct or permit to be constructed any permanent building,

OWD EASEMENT NO. _____
OWD CIP R2087-001102

structures, improvements or other encroachment upon said easement which will cause damage to or threaten the safety of any of said facilities of Grantee placed within the easement.

Grantee may remove from the easement, without liability, any building, structure, improvement or other encroachments thereon conflicting, interfering or inconsistent with its use for the purposes hereby granted. Grantee shall have the right to install its own gates and locks in all fences which now cross or may hereafter cross said easement.

Grantor, or its successors in interest, shall be solely responsible for maintaining the surface area of the easement free and clear of debris, plants, or any other items not placed within the easement by Grantee.

Grantor may use said land as a driveway and to the extent of such use may surface or pave the area, subject only to the restrictions as to changes in existing ground elevations set forth above.

Grantor may, at Grantor's expense, and subject to Grantee's prior written consent, relocate the above mentioned facilities in the event such conflict with future development of said property, provided that Grantor does not cause discontinuance of service to any area, and provided, further, that Grantee receives, without expenses to Grantee, an easement comparable to this easement for said relocated facilities. If Grantor needs to relocate or remove the facilities, it shall comply with all applicable provisions of law. Grantee shall never be required to relocate or alter in any way the facilities installed pursuant to this grant of easement, or to bear any cost in connection therewith as a result of changes in the location of any said facilities.

The Grantor, for the Grantor and Grantor's successors and assigns, hereby waives any claim for any and all damages to the Grantor's remaining property contiguous to the Easement by reason of the location, construction, installation of the reclaimed water line, or other project improvements on the Easement.

Grantee shall have the right to transfer and assign all or a portion of this easement to its successor in interest, or to any other political subdivision or public utility for use of the above stated purpose.

Date: _____, 2010

By: _____

By: _____

[Each signature of Grantor must be acknowledged in the form attached hereto]

DISTRICT CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant of Easement of Right of Way to Otay Water District dated _____, 2010 from THE CITY OF CHULA VISTA to OTAY WATER DISTRICT, a municipal water district, is hereby accepted by order of the Board of Directors pursuant to the authority conferred by Resolution No. 1829, adopted on February 23, 1981, and the grantee consents to recordation thereof by its duly authorized officer.

Date: _____

By: _____
Susan Cruz, District Secretary

EXHIBIT "A"
LEGAL DESCRIPTION
PIPELINE AND CONSTRUCTION EASEMENT

PAGE 1 OF 2

ALL THAT PORTION OF LOT 4, IN OTAY RANCHO, IN THE COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 862, FILED IN THE OFFICE OF THE COUNTY RECORDER, FEBRUARY 7, 1900, BEING DESCRIBED AS FOLLOWS:

PARCEL A (PIPELINE EASEMENT)

BEGINNING AT THE SOUTHWEST CORNER OF A 20.00' FOOT WIDE STRIP OF LAND GRANTED TO THE OTAY WATER DISTRICT, REFERRED TO AS PARCEL 1 (PIPELINE EASEMENT) IN DOCUMENT NO. 1997-0324833 OF OFFICIAL RECORDS; THENCE ALONG THE NORTHERLY LINE OF A 100.00' FOOT RIGHT OF WAY GRANTED TO THE CITY OF SAN DIEGO IN A DEED RECORDED JANUARY 31, 1913 IN BOOK 598 PAGES 54 THROUGH 83 OF OFFICIAL RECORDS, NORTH 74°11'05" WEST 36.40' FEET; THENCE LEAVING SAID NORTHERLY LINE, NORTH 18°40'31" WEST 42.88' FEET; THENCE NORTH 26°15'37" EAST 20.37' FEET TO A LINE PARALLEL WITH THE WESTERLY LINE OF SAID 20.00' FOOT STRIP; THENCE ALONG SAID PARALLEL LINE, NORTH 18°40'31" WEST 225.14' FEET; THENCE NORTH 73°22'24" EAST 241.37' FEET; THENCE NORTH 18°52'53" WEST 845.63' FEET; THENCE NORTH 73°22'24" EAST 274.21' FEET; THENCE NORTH 18°53'14" WEST 483.31' FEET; THENCE LEAVING SAID PARALLEL LINE, NORTH 66°13'32" EAST 15.93' FEET TO THE WESTERLY LINE OF SAID 20.00' STRIP; THENCE SOUTHERLY ALONG THE WESTERLY LINE OF SAID 20.00' FOOT STRIP TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED EASEMENT CONTAINS 0.610 ACRES, MORE OR LESS.

PARCEL B (TEMPORARY CONSTRUCTION EASEMENT)

A STRIP OF LAND 50.00' FEET WIDE, THE WESTERLY LINE OF SAID STRIP BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF A 20.00' FOOT WIDE STRIP OF LAND GRANTED TO THE OTAY WATER DISTRICT, REFERRED TO AS PARCEL 1 (PIPELINE EASEMENT) IN DOCUMENT 1997-0324833 OF OFFICIAL RECORDS; THENCE ALONG THE NORTH LINE OF A 100.00' FOOT RIGHT OF WAY GRANTED TO THE CITY OF SAN DIEGO IN A DEED RECORDED JANUARY 31, 1913 IN BOOK 598 PAGES 54 THROUGH 83 OF OFFICIAL RECORDS, NORTH 74°11'05" WEST 79.60' FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 18°40'31" WEST 309.80' FEET; THENCE NORTH 73°22'24" EAST 241.18' FEET; THENCE NORTH 18°52'53" WEST 845.63' FEET; THENCE NORTH 73°22'24" EAST 274.20' FEET; THENCE NORTH 18°53'14" WEST 477.20' FEET; THENCE NORTH 66°13'32" EAST 66.11' FEET TO A POINT IN THE WESTERLY LINE OF SAID 20.00' FOOT WIDE STRIP OF LAND GRANTED TO THE OTAY WATER DISTRICT, SAID POINT BEING THE TERMINUS.

EXHIBIT "A"
LEGAL DESCRIPTION
PIPELINE AND CONSTRUCTION EASEMENT

PAGE 2 OF 2

THE SIDELINES OF SAID STRIP SHALL BE PROLONGED OR SHORTENED SO AS TO TERMINATE IN THE WESTERLY LINE OF SAID 20.00' FOOT WIDE STRIP OF LAND GRANTED TO THE OTAY WATER DISTRICT AND THE NORTHERLY LINE OF SAID 100.00' FOOT RIGHT OF WAY GRANTED TO THE CITY OF SAN DIEGO.

EXCEPTING THEREFROM THAT PORTION LYING WITH PARCEL A DESCRIBED HEREINABOVE.

THE ABOVE DESCRIBED EASEMENT CONTAINS 2.488 ACRES, MORE OR LESS.

AS SHOWN ON EXHIBIT "B", ATTACHED HERETO, AND BY THIS REFERENCE MADE A PART HEREOF.

DATED THIS 22ND DAY OF FEBRUARY, 2010





JIMMY J. ELMORE L.S. 8483
EXP. 12-31-2010

**EXHIBIT "B"
PLAT**

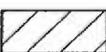
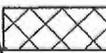
PIPELINE AND TEMPORARY CONSTRUCTION EASEMENT

SEE PAGE 2

N/F
CITY OF CHULA VISTA
APN 644-080-11-00

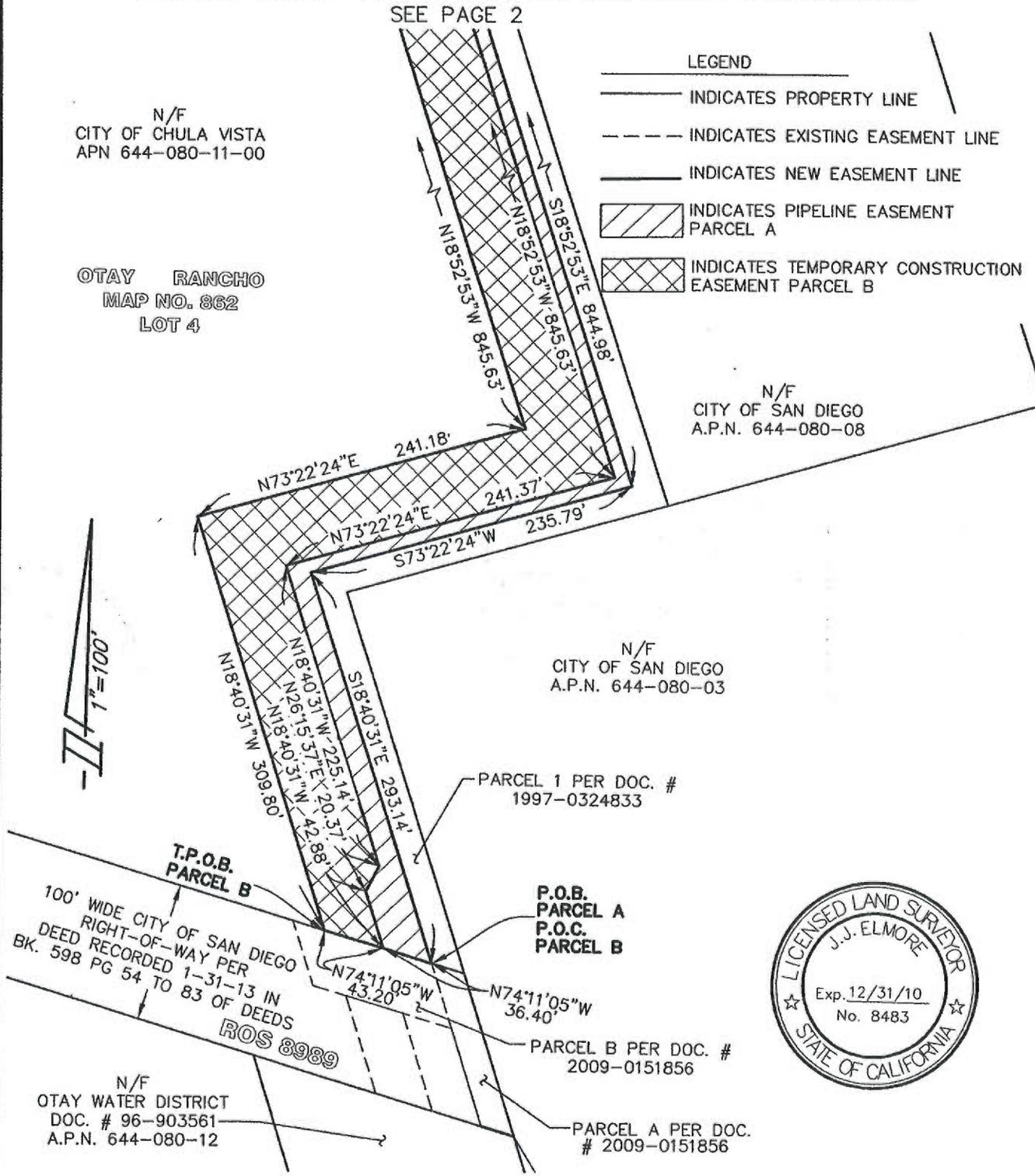
OTAY RANCHO
MAP NO. 862
LOT 4

LEGEND

- INDICATES PROPERTY LINE
- - - INDICATES EXISTING EASEMENT LINE
- INDICATES NEW EASEMENT LINE
-  INDICATES PIPELINE EASEMENT PARCEL A
-  INDICATES TEMPORARY CONSTRUCTION EASEMENT PARCEL B

N/F
CITY OF SAN DIEGO
A.P.N. 644-080-08

N/F
CITY OF SAN DIEGO
A.P.N. 644-080-03



PARCEL 1 PER DOC. # 1997-0324833

P.O.B. PARCEL A
P.O.C. PARCEL B

PARCEL B PER DOC. # 2009-0151856

PARCEL A PER DOC. # 2009-0151856

T.P.O.B. PARCEL B
100' WIDE CITY OF SAN DIEGO
RIGHT-OF-WAY PER
DEED RECORDED 1-31-13 IN
BK. 598 PG 54 TO 83 OF DEEDS
ROS 8989

N/F
OTAY WATER DISTRICT
DOC. # 96-903561
A.P.N. 644-080-12



OTAY WATER DISTRICT

DATE: 02/22/2010

EXHIBIT "B"
PLAT

PIPELINE AND TEMPORARY CONSTRUCTION EASEMENT

- LEGEND
-  INDICATES PROPERTY LINE
 -  INDICATES EXISTING EASEMENT LINE
 -  INDICATES NEW EASEMENT LINE
 -  INDICATES PIPELINE EASEMENT PARCEL A
 -  INDICATES TEMPORARY CONSTRUCTION EASEMENT PARCEL B

N66°13'32"E 66.11'

S18°53'20"E
50.18'

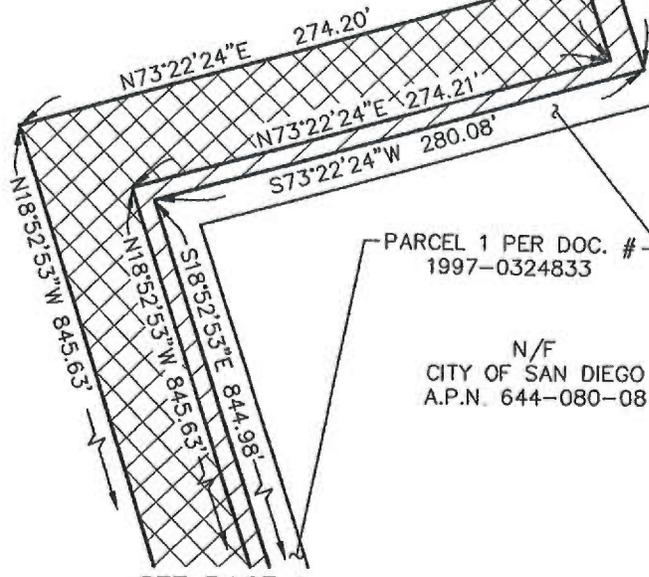
N66°13'32"E
15.93'

LOT 4
OTAY RANCHO
MAP NO. 862

N/F
CITY OF SAN DIEGO
A.P.N. 644-100-06



N/F
CITY OF CHULA VISTA
A.P.N. 644-080-11



PARCEL 1 PER DOC. #
1997-0324833

N/F
CITY OF SAN DIEGO
A.P.N. 644-080-08



SEE PAGE 1

OTAY WATER DISTRICT

DATE: 02/22/2010

RECORDING REQUESTED BY
AND AFTER RECORDATION
MAIL TO:

For Recorder's Use

OTAY WATER DISTRICT
2554 SWEETWATER SPRINGS BOULEVARD
SPRING VALLEY, CA 91977-7299

Documentary Transfer Tax: None
(Exempt under Rev & Tax Code Section 11922)

**TEMPORARY CONSTRUCTION EASEMENT TO
OTAY WATER DISTRICT**

APN: 644-080-11

For good and valuable consideration, receipt of which is hereby acknowledged, the undersigned **THE CITY OF CHULA VISTA, A MUNICIPAL CORPORATION**, as **Grantor(s)** hereby **GRANT(S) to OTAY WATER DISTRICT**, a municipal water district formed under the Municipal Water District Law of 1911, as amended, situated in the County of San Diego, State of California, as **Grantee**, and to Grantee's contractors, a temporary construction easement ("Easement") and the right to access, use and occupy the surface and subsurface of said easement for a period of twelve (12) months, commencing upon Grantor's receipt of written notice from Grantee of commencement of construction activity. The Easement is located in the County of San Diego, State of California, more particularly described in **Exhibit "A"** and depicted in **Exhibit "B"** attached hereto and made a part hereof. The Easement and right of access shall extend to all acts necessary for the purpose of constructing a recycled water line and related appurtenant structures associated with the Otay Mesa Recycled Water Supply Link Project.

Grantor further grants to Grantee the right of unobstructed ingress and egress to the Easement, including the right to pass and re-pass over and along the Easement and to deposit tools, implements and other materials on the Easement and to utilize construction, automotive and other equipment thereon when necessary for the purpose of exercising its rights hereunder.

Upon completion of any work, for the purposes and uses herein granted, Grantee shall restore, at Grantee's expense, the surface of the Easement to a compacted, neat, clean condition, but not necessarily the same condition as prior to such work, and shall replace any fencing or other improvements removed by Grantee or Grantee's contractors.

OWD EASEMENT NO. _____
OWD CIP R2087-001102

The rights and obligations contained herein shall inure to the benefit of and be binding upon the successors-in-interest, agents, employees, assigns, and transferees of the parties hereto.

IN WITNESS WHEREOF, Grantor has executed this Grant of Temporary Construction Easement as of this ____ day of _____, 2010.

By: _____

By: _____

[Each signature of Grantor must be acknowledged in the form attached hereto]

DISTRICT CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Grant of Easement of Right of Way to Otay Water District dated _____, 2010 from THE CITY OF CHULA VISTA to OTAY WATER DISTRICT, a municipal water district, is hereby accepted by order of the Board of Directors pursuant to the authority conferred by Resolution No. 1829, adopted on February 23, 1981, and the grantee consents to recordation thereof by its duly authorized officer.

Date: _____

By: _____
Susan Cruz, District Secretary

EXHIBIT "A"
LEGAL DESCRIPTION
PIPELINE AND CONSTRUCTION EASEMENT

PAGE 1 OF 2

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THE ABOVE DESCRIBED EASEMENT CONTAINS 0.610 ACRES, MORE OR LESS.

PARCEL B (TEMPORARY CONSTRUCTION EASEMENT)

A STRIP OF LAND 50.00' FEET WIDE, THE WESTERLY LINE OF SAID STRIP BEING DESCRIBED AS FOLLOWS:

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EXHIBIT "A"
LEGAL DESCRIPTION
PIPELINE AND CONSTRUCTION EASEMENT

PAGE 2 OF 2

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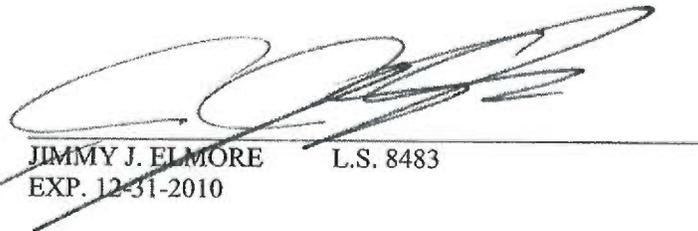
EXCEPTING THEREFROM THAT PORTION LYING WITH PARCEL A DESCRIBED HEREINABOVE.

THE ABOVE DESCRIBED EASEMENT CONTAINS 2.488 ACRES, MORE OR LESS.

AS SHOWN ON EXHIBIT "B", ATTACHED HERETO, AND BY THIS REFERENCE MADE A PART HEREOF.

DATED THIS 22ND DAY OF FEBRUARY, 2010





JIMMY J. ELMORE
EXP. 12-31-2010

L.S. 8483



ATTACHMENT E

SUBJECT/PROJECT: R2087-001102	Authorization to Acquire an Easement from the City of Chula Vista for the Wueste Road portion of the Recycled Water Supply Link Project
---	---

Copy of the Purchase Agreement between the City of Chula Vista and the Otay Water District.

THE CITY OF CHULA VISTA

PURCHASE AGREEMENT

CITY OF CHULA VISTA,
California Municipal Corporation

"GRANTOR"

OTAY WATER DISTRICT,

"GRANTEE"

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement") is entered into as of _____, 2012, by and between Otay Water District, ("Grantee" or "Otay"), and The City of Chula Vista, a municipal corporation ("Grantor" or "City"). This Agreement shall be for the purchase and sale of an easement interest ("Easement Interest"), as described herein, over and under certain real property owned by the City, subject to the terms and conditions of this Agreement. This Agreement is made with reference to the following recitals.

RECITALS

WHEREAS, City owns that certain real property ("Property") located in the City of Chula Vista within a master planned community in the City of Chula Vista commonly known as "Otay Ranch"; and

WHEREAS, On October 28, 1993, the San Diego County Board of Supervisors and the City Council of the City of Chula Vista jointly adopted the Otay Ranch General Development Plan/Subregional Plan ("GDP"), including the Otay Ranch Phase 1 Resource Management Plan ("RMP 1") which governs the development and use of the Otay Ranch Project; and

WHEREAS, on March 6, 1996, the San Diego County Board of Supervisors adopted the Otay Ranch Phase 2 Resource Management Plan ("RMP 2") and on June 4, 1996, the City Council of the City of Chula Vista adopted the RMP 2; and

WHEREAS, the City adopted, as an element of its General Plan, the City's Subarea Plan for the regional San Diego Multiple Species Conservation Program in which the Incidental Take of Covered Species Subject to Incidental Take is authorized, under Section 10(a) permit issued by the USFWS and/or the CESA/NCCP Authorization issued by the CDFG, to the City in accordance with the City's Subarea Plan and the Implementation Agreement

WHEREAS, Grantee wishes to purchase an easement interest on, over under across and through the Property; and

WHEREAS, the easement interest is specifically described in Exhibit "A" and depicted on Exhibit "B", attached hereto and, by this reference, incorporated herein; and

WHEREAS, the he City wishes to sell the Easement Interest to Grantee for the sole uses and subject to the terms and conditions herein.

NOW, THEREFORE, for mutual consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE I. DEFINITIONS

Unless the context otherwise indicates, the following shall have the meanings as set forth in this Article:

"100% Conservation Area" means lands within the City of Chula Vista for which hard-line Preserve boundaries have been established and where the conserved portion will be managed for its biological resources.

"Acceptance of this Agreement" means the date of signature of Grantee or Grantor, whichever entity is the last to affix its signature to this Agreement.

"Cash" means (i) currency, (ii) a check or checks currently dated and payable to City of Chula Vista or money order and honored upon presentation for payment, or (iii) funds wire transferred or otherwise deposited into an account as directed by the City.

"CEQA" means the California Environmental Quality Act (California Public Resources Code 21000 et seq.), including all regulations promulgated pursuant to that Act.

"Chula Vista MSCP Subarea Plan" means the Subarea Plan prepared by the City of Chula Vista and reviewed and approved by the Wildlife Agencies, and adopted by the City of Chula Vista as part of the City's General Plan, to implement the MSCP Subregional Plan within the Chula Vista Subarea.

"Chula Vista Covered Species" means those Covered Species which are adequately conserved by the Chula Vista Subarea Plan, together with other Subarea Plans within the MSCP Subregional Plan Area, in effect during the duration of the City's Section 10(a)(1)(B) permit issued by the USFWS and Take Authorization issued by CDFG, including Species Adequately Conserved. Adequate conservation for certain Chula Vista Covered Species shall include the measures contained in the findings for those species in Table 3-5 of the MSCP Subregional Plan which is incorporated in the Chula Vista Subarea Plan (Appendix A).

"Closing Date" means date of recordation of the Easement Deed

"City" means the City of Chula Vista.

"County" means the County of San Diego, State of California.

"Otay" means the Otay Water District.

"Covered Species" Those species within the MSCP Subregional Plan which will be adequately conserved by the MSCP when the MSCP is implemented through the Subarea Plans, including Species Adequately Conserved, listed on Table 4 -1, as well as the Covered Species listed on Tables 4-2 and 4-3 of the Chula Vista Subarea Plan.

"Easement Interest" means a permanent easement interest together with the right to use and occupy the surface and subsurface ("Easement Interest") over and under portions of the Property subject to

the provisions contained in the Grant of Easement and this Agreement.

“Future Facilities” means facilities that are necessary to support City services or planned development in the future and are not specifically listed as a Planned Facility in the MSCP.

"General and special real estate taxes" means all charges evidenced by the secured tax bill issued by the Tax Collector of the County, including, but not limited to, amounts allocated to (i) County or City general governmental purposes, (ii) bonded indebtedness of the County or City, (iii) bonded or other indebtedness and operating expenses of any school, college, sewer, water, irrigation, hospital, library, utility, county service, community facilities district or other district, and (iv) any other lawful purpose.

“Hazardous Materials” means any substance, material or waste which is or becomes (1) regulated by any local or regional governmental authority, the State of California or the United States Government as hazardous waste, (ii) is defined as a “solid waste”, “sludge”, “hazardous waste”, “extremely hazardous waste”, “restricted hazardous waste”, “Non-RCRA hazardous waste,” “RCRA hazardous waste”, or “recyclable material”, under any federal, state or local statute, regulation or ordinance, including without limitation Sections 25115, 25117, 25117.9, 25120.2, 25120.5, 251227, 25140, 25141 of the California Health and Safety Code; (iii) defined as “Hazardous Substance” under Section 25316 of the California Health and Safety Code; (iv) defined as a “Hazardous Material”, “Hazardous Substance”, or “Hazardous Waste” under Section 25501 of the California Health and Safety Code; (v) defined as a “Hazardous Substance” under Section 25281 of the California Health and Safety Code; (vi) asbestos; (vii) petroleum products, including without limitation, petroleum, gasoline, used oil, crude oil, waste oil and any fraction hereof, natural gas, natural gas liquefied, natural gas or synthetic fuels, (viii) materials defined as hazardous or extremely hazardous pursuant to the California Code of Regulations; (ix) polychlorinated biphenyls; (x) defined as a “Hazardous Substance” pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1251, *et seq.*); (xi) defined as a “Hazardous Waste” pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.*, (xii) defined as a “Hazardous Substance” or “Mixed Waste” pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601, *et seq.* and regulations promulgated hereunder; (xiii) defined as a “Hazardous Substance” pursuant to Section 401.15 of the Clean Water Act, 40 C.F.R. 116; OR (xiv) defined as an “Extremely Hazardous Substance” pursuant to Section 302 of the Superfund Amendments and Reauthorizations Act of 1986, 42 U.S.C. Section 11002, *et seq.*

“Habitat Loss and Incidental Take (HLIT) Ordinance” – means the City’s implementing ordinance which establishes mitigation standards for biological resources and implements the Chula Vista Subarea Plan outside of Covered Projects. Third Party Beneficiary status will be extended to persons and entities under the jurisdiction and control of the City of Chula Vista through permits issued pursuant to the HLIT.

”MSCP Subregional Plan” means the Multiple Species Conservation Program Plan, a comprehensive habitat conservation planning program dated August 1998 which addresses multiple Species habitat needs and the preservation of native vegetation for a 900-square mile area in southwestern San Diego County, California.

“Otay Ranch Preserve” means the 11,375-acre habitat conservation area established by the Otay Ranch Phase 1 Resource Management Plan.

“Preserve” means the area designated in the GDP, including the RMP 1 and RMP 2 and the MSCP which has been or would be conveyed for permanent conservation and which will in the areas located in Otay Ranch be managed for its biological resources by the POM, as defined below.

“Preserve Owner/Manager (“POM”) means the entity responsible for overseeing the day to day and long range Preserve management activities within the Otay Ranch Preserve, including but not limited to management of resources, restoration of habitat and enforcement of open space restrictions, pursuant to the RMP 1 and RMP 2. The City and County are currently acting as the POM pursuant to a joint powers authority agreement.

“RMP 1” means the Otay Ranch Phase 1 Resource Management Plan, as jointly adopted by the San Diego County Board of Supervisors and the City Council of the City of Chula Vista on October 28, 1993.

“RMP 2” means the Otay Ranch Phase 2 Resource Management Plan, as adopted by the City Council of the City of Chula Vista on June 4, 1996 and by the San Diego County Board of Supervisors on March 6, 1996.

“Take” Refers to the meaning provided by the Endangered Species Act and the California Fish and Game Code, including relevant regulations and case law.

“Take Authorization” means the Permit authority granted through a Section 10(a)(1)(B) Permit pursuant to the ESA and/or the Section 2835 permit pursuant to the NCCP Act.

“Third Party Beneficiary” refers to any landowner or other public or private entity that obtains Take Authorization through the City of Chula Vista’s Take Authorization.

“Wildlife Agencies” means the California Department of Fish and Game or U.S. Fish and Wildlife Service.

Biologically Significant Resource Area (BRSA) is defined as habitat areas that support rare vegetation types and species, greater species diversity, are part of core areas of habitat or function as key linkages or corridors for species. These types of habitat areas are generally the focus for conservation by the NCCP/HCP and other conservation plans. The NCCP/HCP uses the term "biologically significant resource area" to include the following types of habitat areas within the Plan Area: an upland or wetland habitat management area (e.g., all existing Otay committed lands in the NCCP/HCP), and areas that have been designated in approved (or in-approval stage) conservation plans as biological resource core areas, pre-approved mitigation areas, corridors/linkages or equivalent designated/defined terms.

ARTICLE II. RESERVATION OF RIGHTS

- 2.1 Reservation of Rights. The transfer of the Property shall be subject to the reservation of the following rights:
- a. Brush Clearance. City reserves and maintains the right to perform brush clearance as necessary within designated development areas on the Property.
 - b. Fuel Modification Zone. In order to create or maintain defensible space necessary for effective fire protection, City reserves and maintains the right to establish Fuel Modification Zones within designated development areas on the Property.

ARTICLE III. PURCHASE AND TRANSFER OF TITLE

- 3.1 Satisfaction of Condition Precedent. To the extent that Article II of this Agreement contains conditions precedent, the Grantor shall be obligated to sell and Grantee to purchase the Easement Interest subject to the terms and conditions herein upon satisfaction of such conditions precedent. In the absence of such conditions, the obligations of the parties identified herein shall become effective upon the execution of this Agreement.
- 3.2 Purchase Price. The purchase price of the Easement Interest shall be SIXTY-SIX THOUSAND AND EIGHT HUNDRED DOLLARS (\$66,800.00) ("Purchase Price"). The Purchase Price includes any severance damage to the remainder of the Property.
- 3.3 Pre-Closing. Prior to the Closing Date, Grantor shall remove existing deeds of trust or mortgages, if any. The Easement Interest shall not be encumbered in any manner except as follows:
- a. Taxes and Assessments. General and special real estate taxes and assessments (including, but not limited to, those of the assessment districts referred to in the Article below entitled "Assessment Districts") which are, in existence as of the Closing Date, and supplemental taxes, if any, assessed pursuant to California Revenue and Taxation Code Section 75, and
 - b. Approved Encumbrances. Any encumbrance agreed to by Grantee, and Easements of Record existing as of the Closing Date.
- 3.4 Closing. On or before the Closing Date, the Purchase Price shall be paid by Grantee, in Cash, provided the Grantor delivers to the Grantee at the Closing Date a fully executed deed for the Easement Interest in the form attached as Exhibit "A" free and clear of all encumbrances, except as described in Section 3.3, above.
- 3.5 Extension of Closing Date. If the Agreement cannot be completed on or before the Closing Date, the Parties may agree in writing to nevertheless complete this transaction when all conditions have been satisfied or waived unless, after the Closing Date either party to this Agreement receives a written notice to terminate this Agreement, pursuant to Article VII.

ARTICLE IV. PRESERVE

- 4.1 **Applicable Laws.** To the extent any provision of this Agreement conflicts with the provisions of any permits or approvals, from any state, federal or county agency, the more restrictive provisions shall control unless prohibited by law. Notwithstanding any other provisions herein, the Otay Water District shall be subject to and comply with all applicable state and federal laws and regulations, as well as, other applicable City Municipal Code Sections, including but not limited to the City's HILT Ordinance (CVMC Section 17.35).
- 4.2 **Otay Water District Responsibility.** Otay acknowledges and agrees that should the Otay Water District construct, re-locate improvements and/or facilities, or conduct any activities in the Easement Interest, that Otay shall be solely responsible for complying with any environmental review required under CEQA, applicable state and federal laws, and any applicable City requirements. Otay further acknowledges and agrees that shall be solely responsible for the mitigation of any temporary and/or permanent impacts within the Easement Interest resulting from the construction or re-location of such facilities and/or improvements including any related activities.
- 4.3 **Impacts to MSCP Covered Species.** Otay acknowledges and agrees that any future work within Easement Interest has to potential to impact sensitive biological resources, including impacts MSCP Covered Species and their habitats. Otay further understands that, prior to implementing any construction activities within the Easement Interest, it shall obtain a Take permit from either the Wildlife Agencies or through the City's MSCP Subarea Plan for any impacts to MSCP Covered Species.
- 4.4 **Permits from the City.** In the event the City allows any future project within the Easement Interest to be processed under the City's MSCP Subarea Plan, the Otay Water District acknowledges and agrees that it shall fully comply with the City's MSCP Subarea Plan, HLIT permitting requirements, all required mitigation requirements associated with any temporary and/or permanent impacts to MSCP Covered Species and their habitats. Otay further acknowledges and agrees that the City may, in its sole discretion, authorize or deny Take under the City's MSCP coverage for Future Facilities pursuant to Section 6.3 of the City's MSCP Subarea Plan. Mitigation for any temporary and/or permanent impacts to MSCP Covered Species and their habitats processed under the City's MSCP Subarea plan shall be subject to the following provisions:
- 4.4.1 **Mitigation for Temporary Impacts.** The Otay Water District acknowledges and agrees that it shall be solely responsible for the mitigation of all temporary impacts associated with the construction of any Future Facilities within the Easement Interest to the satisfaction of the City and the Wildlife Agencies. Mitigation may include, but not limited to, restoration of all temporary impacts areas pursuant to a restoration plan prepared by a qualified biologist familiar with the City's MSCP Subarea Plan and subject to the City's review and approval. The restoration plan shall include, at a minimum, an implementation strategy; species salvage and relocation, appropriate seed mixtures and planting method; irrigation; quantitative and qualitative success criteria; maintenance, monitoring, and reporting program; estimated completion time; and contingency measures. Otay further acknowledges and agrees that it shall implement the revegetation plan subject to the

oversight and approval of the Development Services Director (or their designee).

4.4.2 Mitigation for Permanent Impacts. In the event that the Otay Water District proposes any future activities within the Easement Interest that may result in permanent impacts within the City's MSCP Preserve (as may be amended from time to time) and the City, in its sole discretion, authorizes or denies Take under the City's MSCP coverage for Future Facilities pursuant to Section 6.3 of the City's MSCP Subarea Plan, Otay agrees to provide the City with equitable compensation to offset the impact on the City's MSCP Future Facility acreage allocation. The amount of acreage to be compensated shall be determined based on final engineering design and in consultation with the Wildlife Agencies.

- 4.5 Development Permits, Plans, Maps and Documents. The Otay Water District shall be responsible for all City expenses related to the preparation, review and/or processing of all required permits, plans, maps and documents, and City staff time necessary to site, construct, mitigate, maintain and/or operate any facilities or improvements within the Easement Interest in accordance with the provisions herein and other applicable requirements.

ARTICLE V. TITLE POLICY

- 5.1 If the Grantee so elects, Grantee may obtain, at its sole expense, a CLTA Owner's policy of title insurance ("Title Policy"), together with any endorsements from Title Insurer, for the Easement Interest in the amount of the total Purchase Price. Within two (2) business days of a request to produce from the Title Insurer to the Grantor, Grantor shall furnish such information as required by Title Insurer in order for the Grantee to obtain said Title Policy.

ARTICLE VI. PRORATION, FEES, COSTS, AND REIMBURSEMENTS

- 6.1 Taxes. The Grantee represents that it is a public entity exempt from property taxes. Grantor's Obligations. At least two (2) business days prior to Closing Date, Grantor shall pay any amounts required by this Article entitled "Proration's, Fees, Costs, and Reimbursements" to be paid by Grantor. Grantor shall provide the Grantee of proof of said payments prior to the Closing Date.

ARTICLE VII. TERMINATION OF AGREEMENT

- 7.1 Termination for Convenience. Notwithstanding any provisions in this Agreement, City or Otay may terminate this Agreement at any time up to two (2) business days prior to the Closing Date for any reason, by giving specific written notice to the other party of such termination and specifying the effective date thereof. City and Otay hereby expressly waive any and all claims for damages or compensation arising from or as a result of said termination of this Agreement in accordance with this provision.

- 7.2 Termination for Cause. If, through any cause, either party shall fail to fulfill in a timely and proper manner any obligation under this Agreement, or violate any of its covenants, agreements or conditions, the party not in breach shall have the right, but not the obligation, to terminate this Agreement by giving written notification of such termination and specifying the effective date thereof at least five (5) days before termination.
- 7.3 Other Remedies. In addition to the option to terminate the Agreement for a breach pursuant to Section 7.2, above, the non-breaching party shall have the right to seek any and all remedies available under equity and law.
- 7.4 Return Property to Original Condition. If this Agreement is terminated for any reason, Grantee will, immediately after such termination, at Grantee's sole cost, return the Property to its present physical condition or as close thereto as reasonably possible.
- 7.5 Continuing Obligations. Notwithstanding any provision herein, termination of this Agreement for any reason will not terminate Grantee's obligations that are intended to survive termination.

ARTICLE VIII. ASSESSMENT DISTRICTS

- 8.1 Grantee's Investigation. It shall be incumbent on Grantee to conduct its own investigation of each and any assessment district that may encumber the Easement Interest and to become familiar with each of the same prior to the execution of this Agreement and through the execution of this Agreement, Grantee acknowledges its complete understanding of such encumbrances.

ARTICLE IX. HAZARDOUS MATERIALS

- 9.1 Grantor's Representations and Warranties. Grantor represents and warrants that (i) Grantor has no actual knowledge that there has been released on or beneath the Easement Interest or Property any Hazardous Materials, and (ii) Grantor is not aware of any environmental condition on the Easement Interest or the Property which would be in violation of any applicable federal, state, or local law, ordinance or regulation relating to Hazardous Materials.
- 9.2 Release of Grantor.
- a. Release. As a material inducement to Grantor without which Grantor would not have agreed to sell the Easement Interest herein, Grantee for itself and its successors and assigns, hereby fully and forever releases Grantor and each of Grantor's employees, officers, agents, attorneys, or representatives of Grantor ("Released Parties") from any and all present or future liability, claims, demands, actions, causes of action and rights

(contingent, accrued, inchoate or otherwise) of any kind, whether currently known or not (“Claims”) which Grantee may have against any of the Released Parties, arising out of our connected in any way with the actual or alleged presence, use, generation, storage, transportation, release or discharge of Hazardous Materials on, beneath, above or in the vicinity of the Easement Interest.

- b. Waiver. Grantee waives and releases Grantor from any and all present or future claims it may have against the Released Parties arising under the Comprehensive Environmental Response, Compensation, Liability Act of 1980 as amended from time to time (“CERCLA”) or any other federal, state or local law, whether statutory or common law, ordinance, or regulation, pertaining to the presence, use, generation, storage, transportation, release, discharge or cleanup (including paying the costs thereof) of Hazardous Materials on, beneath, above or in the vicinity of the Easement Interest.

In connection with the foregoing releases, Grantee expressly waives all rights and benefits under California Civil Code Section 1542, which provides as follows:

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

Grantee’s Signature

Date

Grantor’s Initials

Grantee represents that it has had the opportunity to discuss the meaning and effect of this waiver with legal counsel. Grantee warrants that this waiver is informed, knowing and voluntary.

ARTICLE X. RIGHT TO ENTER

- 10.1 Right to Enter Property. The City shall have the right to enter the Property in order to exercise its rights identified in Article II, above. This provision in no way shall limit any rights the City may otherwise have to enter property pursuant to existing law.

ARTICLE XI. MUTUAL INDEMNITY

- 11.1 Grantee’s Indemnity Obligation. Grantee shall defend, indemnify, protect and hold harmless the City, its elected and appointed officers, employees, and agents from and against any and all claims, demands, causes of action, costs, expenses, liability, loss, damage

or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out or related to this Agreement. This indemnity provision does not include any claims, damages, liability, costs and expenses (including without limitations, attorneys fees) arising from the sole negligence or sole willful misconduct of the City, its elected and appointed officers, employees, and agents. Also covered is liability arising from, connected with, or caused by the active or passive negligent acts or omissions of the Grantee, its officers, employees, agents, and contractors that may be in combination with the active or passive negligent acts or omissions of the City, its elected and appointed officers, employees, and agents and/or any third party (Joint Negligence). To the extent that active or passive negligent acts or omissions of the Grantee, its officers, employees, agents, and contractors are in combination with the active or passive negligent acts or omissions of the City, its elected and appointed officers, employees, and agents, Grantee's Indemnity obligations under this Agreement shall be reduced in an amount directly proportional to the City's percentage of fault established.

- 11.2 Grantor's Indemnity Obligation. Grantor shall defend, indemnify, protect and hold harmless the Grantee, its officers, employees, agents, and contractors from and against any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or related to this Agreement. This indemnity provision does not include any claims, damages, liability, costs and expenses (including without limitations, attorneys fees) arising from the sole negligence or sole willful misconduct of the Grantee, its officers, employees, agents, and contractors. Also covered is liability arising from, connected with, or caused by the active or passive negligent acts or omissions of the City, its elected and appointed officers, employees, and agents that may be in combination with the active or passive negligent acts or omissions of the Grantee, its officers, employees, agents, and contractors and/or any third party. To the extent that active or passive negligent acts or omissions of the Grantee, its officers, employees, agents, and contractors are in combination with the active or passive negligent acts or omissions of the City, its elected and appointed officers, employees, and agents, Grantee's Indemnity obligations under this Agreement shall be reduced in an amount directly proportional to the City's percentage of fault established.
- 11.3 Costs of Defense and Award. Included in the obligations in Sections 11.1 and 11.2, above, is the indemnifying party's ("Indemnitor")'s obligation to defend, at the Indemnitor's own cost, expense and risk, any and all aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against the party to whom the indemnity obligation is owed ("Indemnitee"). The Indemnitor shall pay and satisfy any judgment, award or decree that may be rendered against Indemnitees, for any and all legal expense and cost incurred by each of them in connection therewith.
- 11.4. Insurance Proceeds. Indemnitors obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Indemnitees.
- 11.5. Enforcement Costs. Indemnitor agrees to pay any and all costs Indemnitee incurs enforcing the indemnity and defense provisions set forth in Article XI.

- 11.6 Survival. Indemnitors obligations under Article XI shall survive the termination of this Agreement.

ARTICLE XII. FURTHER REPRESENTATIONS, WARRANTIES AND DISCLOSURES

- 12.1 Basis of Purchase. Grantee acknowledges that it is purchasing the Property in reliance solely on (i) Grantee's inspection of the Property, (ii) Grantee's independent verification of the truth of any documents delivered by Grantor to Grantee and its independent verification of any statements made by Grantor to Grantee concerning the Property and the Easement Interest, and (iii) the Grantee's opinions and advice concerning the Property and the Easement Interest.
- 12.2 "As Is" Purchase. Grantee is relying solely upon its own inspection, investigation, and analysis of the Easement Interest in entering into this Agreement. The Easement Interest shall be conveyed to Grantee on an "as is" basis. Grantor and its members, officers, managers, affiliates, agents, employees, successors and assigns shall not be liable for any loss, damage, injury or of any kind or character to the Grantee or any person or property, arising from or caused by the Easement Interest, including but not limited to, any of the following matters:
- a. Soils, Topography, Etc. Soils and geological condition; topography, area and configuration; archeological, prehistoric and historic artifacts, remains and relics; and/or the existence of any endangered species.
 - b. Assessment Districts. The future status of any and all assessment districts that may impact the Easement Interest.
 - c. Entitlements. The ability to receive take authorization or to use the Easement Interest in a manner that may be contemplated by the Grantee.
 - d. County. Any actions taken by the County resulting from the Grantee's purchase of the Easement Interest.

ARTICLE XIII. NOTICES

- 13.1 Method of Notification. All notices and demands shall be given in writing by personal delivery or first-class mail, postage prepaid, addressed to the Administrator, or his/her designee, designated below for the respective party.
- 13.2 Designation and Contact Information. The following, including their respective addresses, are hereby designated as Administrators for the purposes of this Agreement only:

Rick Ryals

Real Property Manager
City of Chula Vista
Public Works/Engineering
276 Fourth Avenue
Chula Vista, CA 91910

OTAY WATER DISTRICT
ATTN: Kevin Cameron, Asst. Civil Engineer
2554 Sweetwater Springs Blvd.
Spring Valley, CA 91978

- 13.3 Changes. If the Administrator, designee or address of either party changes, notice of the change shall be sent to the other party. After the receipt of the notice of change, all future notices or demands shall be sent as required by the notice of change.

ARTICLE XIV. GENERAL PROVISIONS

- 14.1 Headings. All article headings are for convenience only and shall not affect the interpretation of this Agreement.
- 14.2 Gender & Number. Whenever the context requires, the use herein of (i) the neuter gender includes the masculine and the feminine genders and (ii) the singular number includes the plural number.
- 14.3 Reference to Paragraphs. Each reference in this Agreement to a section refers, unless otherwise stated, to a section of this Agreement.
- 14.4 Incorporation of Recitals and Exhibits. All recitals herein and exhibits attached hereto are incorporated into this Agreement and are made a part hereof.
- 14.5 Covenants and Conditions. All provisions of this Agreement expressed as either covenants or conditions on the part of the Parties shall be deemed to be both covenants and conditions.
- 14.6 Integration. This Agreement and any exhibits or references incorporated into this Agreement fully express all understandings of the Parties concerning the matters covered in this Agreement. No change, alteration, or modification of the terms or conditions of this Agreement, and no verbal understanding of the Parties, their officers, agents, or employees shall be valid unless made in the form of a written change agreed to in writing by both Parties or an amendment to this Agreement agreed to by both Parties. All prior negotiations and agreements are merged into this Agreement.
- 14.7 Severability. In the event that any phrase, clause, paragraph, section or other portion of this Agreement shall become illegal, null or void, or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void, against public

policy, or otherwise unenforceable, the remaining portions of this Agreement shall not be affected and shall remain in force and effect to the fullest extent permissible by law.

- 14.8 **Drafting Ambiguities.** The Parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether or not to seek advice of counsel with respect to this Agreement is a decision that is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement.
- 14.9 **Conflicts Between Terms.** If an apparent conflict or inconsistency exists between the main body of this Agreement and any exhibits, the main body of this Agreement shall control unless prohibited by law. If a conflict exists between an applicable federal, state, or local law, rule, regulation, order, or code and this Agreement, the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this Agreement, the exhibits, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement shall control. Each Party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Agreement.
- 14.10 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, but all of which together will constitute one instrument.
- 14.11 **Compliance With Law.** Grantee shall, at its sole cost and expense, comply with all the requirements of municipal, state, and federal authorities now in effect or which may hereafter be in effect related to this Agreement.
- 14.12 **Governing Law.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of California. This Agreement shall be deemed made and entered into in San Diego County, California.
- 14.13 **Administrative Claims Requirements and Procedures.** No suit or arbitration shall be brought arising out of this Agreement, against the City unless a claim has first been presented in writing and filed with the City and acted upon by the City in accordance with the procedures set forth in Chapter 1.34 of the Chula Vista Municipal Code, as same may from time to time be amended, the provisions of which are incorporated by this reference as if fully set forth herein, and such policies and procedures used by the City in the implementation of same.
- 14.14 **No Suit or Arbitration** may be brought against the Otay unless a claim has first been presented and filed in writing with the Otay.
- 14.15 **Fees.** In the event any action or proceeding shall be instituted in connection with this Agreement, including without limitation the enforcement of any indemnification obligation contained herein, the losing Party shall pay to the prevailing Party a reasonable sum for attorneys' fees and costs incurred in bringing or defending such action or proceeding and/or enforcing any judgment granted.

- 14.16 Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any action arising under or relating to this Agreement shall be brought only in the federal or state courts located in San Diego County, State of California, and if applicable, the City of Chula Vista, or as close thereto as possible. Venue for this Agreement and performance hereunder, shall be the City of Chula Vista.
- 14.17 Municipal Powers. Nothing contained in this Agreement shall be construed as a limitation upon the powers of the City as a chartered city of the State of California, or of the Otay District as a Municipal Water District.
- 14.18 Assignment. The Parties shall not assign this Agreement or any right or privilege hereunder to any Party without the express written consent of the other Party. Consent to an assignment by the City or Otay shall not be deemed to be consent to any subsequent assignment. Any such assignment without such consent shall be void.
- 14.19 Successors. All terms of this Agreement will be binding upon and inure to the benefit of the parties and their respective administrators or executors, successors and assigns.
- 14.20 No Waiver. No failure of either Party to insist upon the strict performance by the other Party of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement, shall constitute a waiver of any such breach of such covenant, term or condition. No waiver of any default hereunder shall be implied from any omission to take any action on account of such default. The consent or approval to or of any act requiring consent or approval shall not be deemed to waive or render unnecessary future consent or approval for any subsequent similar acts. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect to any existing or subsequent breach.
- 14.21 Additional Rights. No rights other than those specifically identified herein shall be implied from this Agreement.
- 14.22 Cumulative Remedies. All rights, options, and remedies of the Parties contained in this Agreement shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and the Parties shall have the right to pursue any one or all of such remedies or to seek damages or specific performance in the event of any breach of the terms hereof or to pursue any other remedy or relief which may be provided by law or equity, whether or not stated in this Agreement.
- 14.23 Good Faith. The Parties promise to use their best efforts to satisfy all conditions to this Agreement and to take all further steps and execute all further documents reasonably necessary to put this Agreement into effect.
- 14.24 Not an Offer. Grantor's delivery of unsigned copies of this Agreement is solely for the purpose of review by the party to whom delivered, and neither the delivery nor any prior

communications between the parties, whether oral or written, shall in any way be construed as an offer by Grantor, nor in any way imply that Grantor is under any obligation to enter the transaction which is the subject of this Agreement. The signing of this Agreement by Grantee constitutes an offer, which shall not be deemed accepted by Grantor unless and until Grantor has signed this Agreement.

- 14.25 Survival of Provisions. The representations, warranties, agreements and indemnities set forth in this Agreement will remain operative, will be deemed made at the Closing Date and will survive the closing and the execution and delivery of Grantor's easement deed.
- 14.26 Authority of Signatories. Grantee and Grantor each represent that: (i) the individuals executing this Agreement have the legal capacity to enter into this Agreement and are authorized to do so on behalf of each of their respective entities in accordance with an adopted resolution and (ii) this Agreement is binding upon the entities in accordance with its terms of its Charter or operating provisions.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE OF PURCHASE AGREEMENT BY
AND BETWEEN THE CITY OF CHULA VISTA
AND THE OTAY WATER DISTRICT

This Agreement has been executed in San Diego County, California, as of the date set forth at the beginning hereof.

GRANTOR:

THE CITY OF CHULA VISTA,
a California municipal corporation

By: _____
Title

Date: _____

GRANTEE:

OTAY WATER DISTRICT,
a Municipal Water District

By _____
Title

Date: _____

Approved as to form:

Glen Googins, City Attorney

Attest:

Donna Norris
City Clerk



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	February 1, 2012
SUBMITTED BY:	Lisa Coburn-Boyd <i>LCB</i> Environmental Compliance Specialist	PROJECT/ SUB-PROJECT:	R2096- DIV. 5 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:	Change Order No. 3 to the Contract with Montgomery Watson Harza for the Ralph W. Chapman Water Recycling Facility Upgrade Project		

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) approves Change Order No. 3 to the existing contract with Montgomery Watson Harza (MWH) for the Ralph W. Chapman Water Recycling Facility (RWCWRF) Upgrade Project, in an amount not-to-exceed \$21,500 (see Exhibit A for Project location).

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board authorization for the General Manager to execute Change Order No. 3 in an amount not-to-exceed \$21,500 to the contract with MWH for the RWCWRF Upgrade Project.

ANALYSIS:

At the October 7, 2009 Board Meeting, MWH was awarded a professional engineering services contract for the RWCWRF Upgrade Project. This Project consists of the pre-design, design, and construction phase engineering services for the upgrade of the treatment plant. The specific elements of this upgrade include the modification of the existing aeration basins to achieve nitrification and de-nitrification, rehabilitation of

the blower system and associated aeration piping, replacement of the floating cover for the filter backwash storage reservoir, and selected automation enhancements for the facility. The Project is currently under construction.

MWH has been providing construction phase engineering services since the start of construction in August 2011. The complexity of the upgrade and the volume of RFI's and submittals have depleted the remaining funds in MWH's contract. It is important that the design engineers be available to assist the plant operations staff during the start-up phase of the construction. The nitrification/denitrification treatment process can be challenging to establish and the MWH design engineers will be able to guide the operations staff in setting the correct treatment parameters for the process. MWH instrumentation and electrical engineers will also be needed to troubleshoot any start-up issues for the new automation that is included in the plant upgrade.

Staff believes that the input from the MWH design team will be invaluable for a smooth start-up of the treatment process at the end of construction. The MWH Project Manager was asked to estimate the effort that would be needed to provide start-up services from the different disciplines and the amount for these services is \$21,500. See Attachment B for the MWH budget estimate.

FISCAL IMPACT:



The MWH contract is funded from CIP R2096. MWH's original contract amount was for \$458,813. There have been two change orders to date for this contract, Change Order #1 for \$83,301 and Change Order #2 for \$38,747 for a total contract amount of \$580,861. The previous change orders were necessary because of additions to the scope of the design. Since the aggregate of all change orders exceeds the General Manager's authority, Change Order #3 is required to go to the Board for approval.

The total budget for CIP R2096, as approved in the FY 2012 budget, is \$4,950,000. Expenditures to date are \$1,269,567. Total commitments to date, including this Change Order, are approximately \$4,875,955. See Attachment C for budget detail and Attachment D for Change Order No. 3.

Based on a review of the financial budget, the Project Manager has determined that the CIP R2096 budget will be sufficient to support this Project.

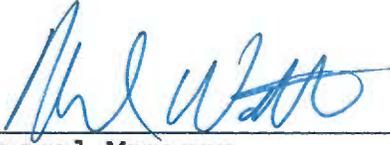
Finance has determined that 100% of the funding for this Project is available from the Replacement Fund.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide customers with the best quality water, wastewater, and recycled water service in a professional, effective, and efficient manner."

LEGAL IMPACT: _____

None.



General Manager

P:\WORKING\CIP R209€ - RWCWRF Upgrade Project\Staff Reports\BD 02-01-12, Staff Report, RWCWRF Upgrade Project_Change Order #3.docx

LCB/RR:jf

Attachments: Attachment A - Committee Action
Attachment B - MWH Budget Estimate - CO#3
Attachment C - Project Budget Detail
Attachment D - Contract/P.O. Change Order No. 3
Exhibit A - Project Location Map



ATTACHMENT A

SUBJECT/PROJECT: R2096-001102	Change Order No. 3 to the Contract with Montgomery Watson Harza for the Ralph W. Chapman Water Recycling Facility Upgrade Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on January 24, 2012. 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

SUBJECT/PROJECT: R2096-001102	Change Order No. 3 to the Contract with Montgomery Watson Harza for the Ralph W. Chapman Water Recycling Facility Upgrade Project
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MWH Services During Start-up

- The extension of time from October 14, 2011 through June 30, 2012 represents an additional 4 months of Project Management effort, including accounting and admin time for a total cost of \$4,282
- To be able to provide support during start-up, we estimate the total cost will be \$17,160, as detailed in the following table
- Our estimate of the total cost is \$21,442

Name	No. of Months	Hrs/Month	Hrs	Billing Rate (\$/hr)	Cost
Umphres	4	1	4	\$ 188	\$ 752
Kearney	4	4	16	\$ 188	\$ 3,008
Admin	4	1.5	6	\$ 87	\$ 522
				Subtotal	\$ 4,282

	No. of Site Visits	Hrs/Visit	Hrs	Billing Rate (\$/hr)	Cost (\$)
Kearney	10	2	20	\$ 188	\$ 3,760
Low	2	8	16	\$ 155	\$ 2,480
Mechanical Engineer	2	8	16	\$ 155	\$ 2,480
Electrical Engineer	3	8	24	\$ 155	\$ 3,720
I&C Engineer	3	8	24	\$ 155	\$ 3,720
Mileage Costs					\$ 1,000
				Subtotal	\$ 17,160
				Total	\$ 21,442



ATTACHMENT C

SUBJECT: R2096-001102	Change Order No. 3 to the Contract with Montgomery Watson Harza for the Ralph W. Chapman Water Recycling Facility Upgrade Project
-------------------------------------	---

Budget	Committed	Expenditures	Outstanding Commitment &	Projected Final Cost	Vendor/Comments
4,950,000					
Planning					
Add subprojects					
Labor	76,056	76,056		76,056	
Professional Legal Fees	4,916	4,916	-	4,916	STUTZ ARTIANO SHINOFF
	603	603	-	603	GARCIA CALDERON & RUIZ LLP
Regulatory Agency Fees	50	50	-	50	PETTY CASH CUSTODIAN
Consultant Contracts	242,545	242,545	-	242,545	MWH AMERICAS INC
	83,301	83,301	-	83,301	CO#1 MWH AMERICAS
	12,775	12,775	-	12,775	MWH CONSTRUCTORS INC
	678	678	-	678	US BANK CORPORATE PAYMENT
Service Contracts	10,860	10,860	-	10,860	E S BABCOCK & SONS INC
	250	250	-	250	UNION TRIBUNE PUBLISHING CO
	68	68	-	68	SAN DIEGO DAILY TRANSCRIPT
Infrastructure Equipment & Ma	3,030	2,984	46	3,030	WALTERS WHOLESALE ELECTRIC CO
Total Planning	435,133	435,088	46	435,133	
Design					
Labor	98,170	98,170		98,170	
Mileage Reimbursement	16	16	-	16	PETTY CASH CUSTODIAN
Consultant Contracts	206,914	200,531	6,383	206,914	MWH AMERICAS INC
	38,747	38,747	-	38,747	CO#2 MWH AMERICAS
	3,500	3,500	-	3,500	MWH CONSTRUCTORS INC
	8,470	8,470	-	8,470	MTGL INC
	4,209	4,209	-	4,209	WRA & ASSOCIATES INC
	580	580	-	580	VALLEY CONSTRUCTION MANAGEMENT
	499	499	-	499	SCHIFF ASSOCIATES
Service Contracts	4,395	4,395	-	4,395	MAYER REPROGRAPHICS INC
	2,400	2,400	-	2,400	PHOTO GEODETIC CORPORATION
	708	708	-	708	SAN DIEGO UNION-TRIBUNE LLC
	227	227	-	227	SAN DIEGO DAILY TRANSCRIPT
Total Design	368,834	362,452	6,383	368,835	
Construction					
Labor	73,713	73,713		73,713	
Rents and Leases	5,557	5,557	-	5,557	EQUIPCO SALES & SERVICE
Professional legal fees	292	292	-	292	STUTZ ARTIANO SHINOFF
Consultant Contracts	359,013	88,780	272,233	359,013	SAIC ENERGY ENVIRONMENT &
	4,060	4,060	-	4,060	VALLEY CONSTRUCTION MANAGEMENT
Construction Contracts	3,149,100	174,803	2,974,497	3,149,100	NEWEST CONSTRUCTION
	349,900	19,400	330,500	349,900	CALIFORNIA BANK & TRUST
	13,039	13,039	-	13,039	MWH AMERICAS, PENHALL,
Service Contracts	21,500	13,039	21,500	21,500	SO. CAL TELECOM
	4,272	4,272	-	4,272	CO#3 MWH AMERICAS
	223	180	43	223	BARRETT ENGINEERED PUMPS
Infrastructure Equipment & Ma	21,480	21,480	-	21,480	RW LITTLE CO INC
	13,006	12,166	840	13,006	D & H WATER SYSTEMS INC
	10,444	10,444	-	10,444	FERGUSON WATERWORKS # 1083
	8,586	8,586	-	8,586	FLOMAX PRODUCTS INC
	7,907	7,907	-	7,907	MOORE INDUSTRIES-INTRNTL INC
	6,572	6,572	-	6,572	MOVE EXP FR S2018 TO R2096
	3,890	3,893	27	3,890	ROTORK CONTROLS INC
	3,376	3,376	-	3,376	GRAINGER INC
	3,150	3,150	-	3,150	WALTERS WHOLESALE ELECTRIC CO
	1,834	1,834	-	1,834	MCCROMETER INC
	1,733	1,881	52	1,733	F & L INDUSTRIAL SOLUTIONS INC
	1,401	1,300	101	1,401	MCMaster-CARR SUPPLY CO
	853	842	11	853	RW LITTLE CO INC
	434	434	-	434	ONESOURCE DISTRIBUTORS LLC
	239	225	14	239	EQUIPCO SALES & SERVICE
	179	179	-	179	NEWARK
Inventory	4,985	4,985	-	4,985	UNITED RENTALS NORTHWEST INC
Contracted Services	1,248	1,105	143	1,248	INVENTORY
					RW LITTLE CO INC
Total Construction	4,071,997	472,028	3,599,960	4,071,998	
Grand Total	4,875,955	1,288,587	3,608,389	4,875,956	

ATTACHMENT D

OTAY WATER DISTRICT
2554 SWEETWATER SPRINGS BLVD., SPRING VALLEY, CA. 91978, (619) 670-2222

CONTRACT/P.O. CHANGE ORDER No. 3

PROJECT/ITEM: Ralph W. Chapman Water Recycling Facility Upgrade Project
CONTRACTOR/VENDOR: MWH REF. CIP No.: R2096
APPROVED BY: Board of Directors REF. P.O. No: 711767 REF. WO No.: N/A DATE: 12/19/11

DESCRIPTION:

Provide construction phase start-up services for the modifications to the RWCWRF Upgrade project as detailed in the Attachment A, Additional Scope of Services, and Exhibit B, Budget Breakdown Per Task dated December 13, 2011.

REASON:

MWH will provide assistance to plant operations staff during the start-up phase of the construction. MWH design engineers will assist staff in setting the correct treatment parameters for the process and MWH instrumentation and electrical engineers will help troubleshoot any start-up issues for the new automation that is included in the plant upgrade.

CHANGE P.O. TO READ:

Revise Contract to add \$21,500.00 for a total Contract amount of \$602,361.00.
Completion date remains at 06/30/12.

ORIGINAL CONTRACT/P.O. AMOUNT:	\$	458,813.00
ADJUSTED AMOUNT FROM PREVIOUS CHANGES:	\$	580,861.00
TOTAL COST OF THIS CHANGE ORDER:	\$	21,500.00
NEW CONTRACT/P.O. AMOUNT IS:	\$	602,361.00
CONTRACT/P.O. TIME AFFECTED BY THIS CHANGE:		0 Days
ORIGINAL CONTRACT COMPLETION DATE:		6/30/12
REVISED CONTRACT COMPLETION DATE		6/30/12

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

CONTRACTOR/VENDOR:

SIGNATURE: Margaret D. Umphres
PRINTED NAME: MARGARET D UMPHRES
TITLE: Vice President DATE: 1/10/12
ADDRESS: 9444 Farnham St, #300
San Diego CA 92123

STAFF APPROVALS:

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

DISTRICT APPROVAL:

GEN. MANAGER: _____ DATE: _____

COPIES: FILE (Orig.) CONTRACTOR/VENDOR CHIEF-ENGR CHIEF-FINANCE AGM/ENG-OPS
 ENGR. MGR. INSPECTION PROJ MGR ENGR. SECRETARY PURCHASING ACCTS PAYABLE

CHANGE ORDER LOG

Ralph W. Chapman Water Recycling Facility Upgrade Project

Project: R2096

Consultant/Contractor: MWH

Subproject: 001102

C.O.	AMOUNT	APPROVED		DESCRIPTION	TYPE C.O.
		BY	DATE		
1	\$83,301.00	Board	10/6/2010	Compensation for design of additional scope items.	Owner
2	\$38,747.00	GM	12/7/2010	Compensation for design of changes in scope items.	Owner
3	\$21,500.00	Board	2/1/2012	Compensation for start-up services during construction.	Owner
4					
5					
6					
7					
8					
9					
10					
11					
12					
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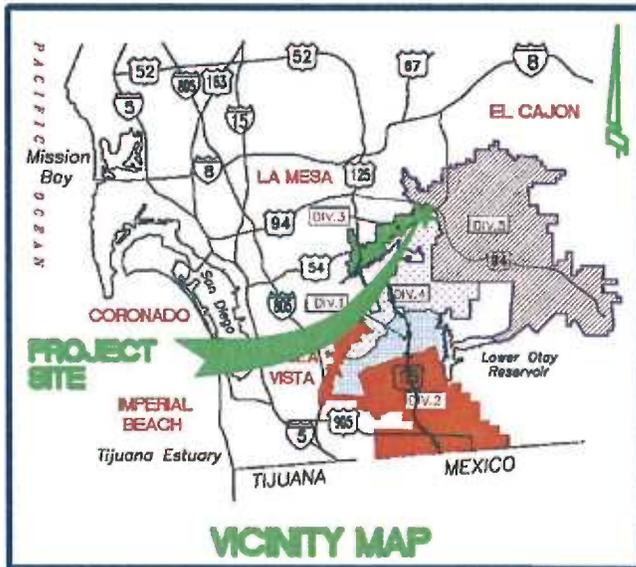
Total C.O.'s To Date: \$143,548.00 31.3%

Original Contract Amount: \$458,813.00

Current Contract Amount: \$602,361.00

Change Order Breakdown for the Month:

Month	Net C.O.\$	Limit	Authorization	C.O. %
1/12	\$143,548.00	\$2,000	Insp	0.0%
		\$10,000	PM/Sr. Engr.	0.0%
		\$20,000	DivM	0.0%
		\$25,000	Chief	0.0%
		\$35,000	AGM	0.0%
		\$50,000	GM	0.0%
		>\$50000	Board	0.0%



NOT TO SCALE



P:\WORKING\CIP_R2096\Graphics\Exhibits-Figures\RWCWRF Upgrade Exhibit A



OTAY WATER DISTRICT
 RWCWRF UPGRADE PROJECT
 11901 SINGER LANE, SPRING VALLEY, CA

CIP R2096

EXHIBIT A

AGENDA ITEM 5



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	February 1, 2012	
SUBMITTED BY:	Kevin Cameron <i>KC</i> Assistant Engineer	PROJECT/	S2019-001102	DIV. 5
		SUBPROJECT:	S2020-001102	NO.
	Ron Ripperger <i>RR</i> Engineering Manager		S2022-001102	
			S2026-001102	
APPROVED BY: (Chief)	Rod Posada <i>RP</i> Chief, Engineering			
APPROVED BY: (Asst. GM):	Manny Magaña <i>M Magaña</i> Assistant General Manager, Engineering and Operations			
SUBJECT:	Increase CIP Budgets for CIPs S2019, S2020, S2022 and S2026 for a total amount of \$250,000 and Award a Construction Contract to Garcia Juarez Construction, Inc. for Avocado Boulevard, Calavo Drive, Louisa Drive, Hidden Mesa Drive Sanitary Sewer Replacement			

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) authorizes the increase of four CIP budgets: CIP S2019 in an amount not-to-exceed \$150,000, CIP S2020 in an amount not-to-exceed \$50,000, CIP S2022 in an amount not-to-exceed \$20,000, and for CIP S2026 in an amount not-to-exceed \$30,000, for a total increase of \$250,000 against the total budget of \$2,850,000 for a new budget amount of \$3,100,000 and to award a construction contract to Garcia Juarez Construction, Inc. (Garcia Juarez) in an amount not-to-exceed \$2,316,275 for the Avocado Boulevard, Calavo Drive, Louisa Drive, Hidden Mesa Drive Sanitary Sewer Replacement Project (see Exhibit A for Project location).

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board approval to increase the budgets for CIP S2019 in an amount not-to-exceed \$150,000, CIP S2020 in an amount not-to-exceed \$50,000, CIP S2022 in an amount not-to-exceed \$20,000 and CIP S2026 in an amount not-to-exceed \$30,000, for a total of \$250,000 and to obtain Board authorization for the General Manager to enter into a construction contract with Garcia Juarez in an amount not-to-exceed \$2,316,275 for the Avocado Boulevard, Calavo Drive, Louisa Drive, Hidden Mesa Drive Sanitary Sewer Replacement Project.

ANALYSIS:

In February 2006, the District completed a Sewer System Management Plan (SSMP), which included a sewer model calibration capacity analysis and system assessment. The goal of the SSMP was to provide methods for reducing and managing sanitary sewer overflows and included provisions to provide proper and cost-effective management, operation, and maintenance of the District's sanitary sewer system. The findings of the modeling study assisted the District in prioritizing areas to be evaluated with the closed circuit television (CCTV) program.

The CCTV report, completed in December 2008, inspected and analyzed sewer pipes in the community of Rancho San Diego. The CCTV investigations identified several critical sections of the sewer main system needing rehabilitation or replacement within the following residential areas: Avocado Boulevard, Calavo Drive, Louisa Drive, Challenge Boulevard, and Hidden Mesa Road.

The District's as-needed design engineer, Lee & Ro, developed a Preliminary Design Report (PDR), and from the PDR recommendations, produced design drawings for the Project. The contract specifications were produced by Staff in accordance with the District's standards. The District's As-Needed Traffic Engineer, Darnell & Associates, prepared the traffic control plans.

Staff acquired two (2) permanent easements and five (5) temporary construction easements to facilitate the construction. Staff also met numerous times with the local planning group, Valle De Oro Community Planning Group, and area residents to notify them of the Project scope, and get their input and address their concerns.

A community outreach plan has been established for the Project. Prior to construction, staff will notify the local schools, churches, businesses, and residents about the Project and any possible impacts to the community. A page on the District's website will be created

to give customers current information about the project. In an effort to minimize traffic delays during construction, the District has restricted the Contractor's hours of work to allow school and commuter traffic to dissipate before construction begins.

The budget increase is due to the new easements that the District had to acquire, the extended public outreach, and additional traffic control whereby these projects necessitated a jack and bore under Avocado Boulevard to alleviate traffic impacts. Additional items that caused the budget to increase were further soil studies in the proximity of natural streams to determine where ground water would be encountered, additional safety measures required by Operations' staff on the vaults, and the County's requirement for removal of abandoned manholes.

The Project was advertised for bid on October 25, 2011. A Pre-bid Meeting was held on November 3, 2011, which was attended by three (3) contractors. Three (3) addenda were sent out to all bidders and plan houses to address contractors' questions asked during the bidding period. Due to the holidays in November, and requests from contractors and vendors, the bidding period was extended to give ample time for contractors to submit a responsive bid. Staff solicited the interest of contractors that had performed successfully on District projects in the past to encourage them to submit a bid.

Seven (7) bids were received on December 1, 2011. The table below provides the bid results.

<u>CONTRACTOR</u>	<u>TOTAL BID AMOUNT</u>
1. GARCIA JUAREZ CONSTRUCTION, INC.	\$2,316,275.00
2. BURTECH PIPELINE, INC.	\$2,347,204.00
3. BASILE CONSTRUCTION, INC.	\$2,382,379.21
4. TC CONSTRUCTION CO., INC.	\$2,777,832.00
5. EL CAJON GRADING & ENGINEERING CO., INC.	\$3,034,755.00
6. CHARLES KING CO., INC.	\$3,494,508.00
7. CCL CONTRACTING CO., INC.	\$3,814,355.00

The Engineer's Estimate is \$2,200,000.

Staff reviewed the bids submitted for conformance with the contract requirements and determined that Garcia Juarez was the lowest responsive and responsible bidder. Garcia Juarez holds a valid California contractor's license Class A in good standing.

Garcia Juarez provided a list of seven (7) projects in progress and fifty-six (56) completed projects dating back to 2005. Staff was able to contact seventeen (17) references, all of which indicated an excellent performance record by Garcia Juarez on similar past projects. Staff verified that the bid bond provided by Garcia Juarez is valid. A background search of the company was performed on the internet (Google), and revealed no outstanding issues with this company. Staff will also verify Garcia Juarez's performance bond is valid prior to execution of the contract.

FISCAL IMPACT:

Funding for the overall Project comes from four CIP projects - S2019, S2020, S2022, and S2026. The total budget is \$2,850,000.

The total budget for CIP S2019, as approved in the FY 2012 budget, is \$1,900,000. Total expenditures, plus outstanding commitments and forecast, is \$2,050,000. See Attachment B-1 for budget detail.

The total budget for CIP S2020, as approved in the FY 2012 budget, is \$550,000. Total expenditures, plus outstanding commitments and forecast, is \$600,000. See Attachment B-2 for budget detail.

The total budget for CIP S2022, as approved in the FY 2012 budget, is \$150,000. Total expenditures, plus outstanding commitments and forecast, is \$170,000. See Attachment B-3 for budget detail.

The total budget for CIP S2026, as approved in the FY 2012 budget, is \$250,000. Total expenditures, plus outstanding commitments and forecast, is \$280,000. See Attachment B-4 for budget detail.

Staff included allowances in the bid list for unknown utilities, additional potholes, and additional electrical relocations for a total amount of \$84,000, which equates to 3.6% of the Contractor's bid.

Based on a review of the financial budgets, the Project Manager anticipates that with a budget increase of \$250,000 the Project will be completed within the new budget amount of \$3,100,000.

As a part of the 2013 budget process, the reserve where these CIPs are funded from will be assessed and will be allocated the necessary funds at that time.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide customers with the best quality water, wastewater, and recycled water service in a professional, effective, and efficient manner." This

Project fulfills the District's Strategic Goals No. 1: CUSTOMER - Deliver high quality services to meet customer needs, and increase confidence of the customer in the value the District provides.

LEGAL IMPACT: _____

None.



General Manager

F:\WORKING\CIP S2019, S2020, S2022 Avocado Sewer\Staff Reports\BD 02-01-2012, Staff Report, Avocado Blvd Sanitary Sewer Replacement.docx
KC:RR:jf

Attachments: Attachment A - Committee Action
 Attachment B-1 - S2019 Budget Detail
 Attachment B-2 - S2020 Budget Detail
 Attachment B-3 - S2022 Budget Detail
 Attachment B-4 - S2026 Budget Detail
 Exhibit A - Location Map



ATTACHMENT A

SUBJECT/PROJECT: S2019-001102 S2020-001102 S2022-001102 S2026-001102	Award of a Construction Contract to Garcia Juarez Construction, Inc. for Avocado Boulevard, Calavo Drive, Louisa Drive, Hidden Mesa Drive Sanitary Sewer Replacement
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on January 24, 2012. 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-1

SUBJECT/PROJECT:	Award of a Construction Contract to Garcia Juarez Construction, Inc. for Avocado Boulevard, Calavo Drive, Louisa Drive, Hidden Mesa Drive Sanitary Sewer Replacement
S2019-001102	
S2020-001102	
S2022-001102	
S2026-001102	

Otay Water District
S2019 - AVOCADO BLVD SEWER REPLACEMENT

Date Updated: January 11, 2012

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
1,900,000					
Planning					
Labor	24,205	24,205		24,205	
Easement	2,100	2,100	-	2,100	GARY THOMAS JALATY
Office Supplies	14	14	-	14	PETTY CASH CUSTODIAN
Consultant Contracts	11,287	11,287	-	11,287	LEE & RO INC
Total Planning	37,606	37,606	-	37,606	
Design					
Labor	147,708	147,708		147,708	
Easement	5,500	5,500	-	5,500	JUAN NAVARRO
	5,900	5,900	-	5,900	LN REAL ESTATE LLC
Professional Legal Fees	2,102	2,102	-	2,102	STUTZ ARTIANO SHINOFF
Other Agency Fees	27	27	-	27	PETTY CASH CUSTODIAN
	3,460	3,460	-	3,460	COUNTY OF SAN DIEGO
Consultant Contracts	4,900	4,900	-	4,900	SAN-LO AERIAL SURVEYS
	1,550	1,550	-	1,550	AFFORDABLE DRAIN SERVICE INC
	1,947	1,947	-	1,947	CPM PARTNERS INC
	59,938	59,938	8,218	68,156	LEE & RO INC
	17,000	13,000	4,000	17,000	MICHAEL D KEAGY REAL ESTATE
	8,830	8,830	-	8,830	DARNELL & ASSOCIATES INC
	8,204	8,204	-	8,204	SOUTHERN CALIFORNIA SOIL
	525	525	-	525	MWH CONSTRUCTORS INC
Construction Contracts	17,933	17,933	-	17,933	LEE & RO INC
Service Contracts	672	672	-	672	UNION TRIBUNE PUBLISHING CO
Total Design	286,196	282,196	12,218	294,414	
Construction					
Labor	50,000	9,738	40,262	50,000	
Easement	5,000	5,000	-	5,000	KIM-THOA THI HOANG
Consultant Contracts	4,000	4,000	-	4,000	RBF CONSULTING
	157	157	-	157	SOUTHERN CALIFORNIA SOIL
	6,030	6,030	-	6,030	MTGL INC
	2,315	2,315	-	2,315	LEE & RO INC
	109,950	-	109,950	109,950	VALLEY CM
	926	926	-	926	CPM PARTNERS INC
Construction Contracts	2,979	2,979	-	2,979	CLARKSON LAB & SUPPLY INC
	1,530,275	-	1,530,275	1,530,275	GARCIA JUAREZ
	6,000	-	6,000	6,000	PUBLIC OUTREACH
Total Construction	1,717,632	31,145	1,686,487	1,717,632	
Grand Total	2,041,434	350,947	1,698,705	2,049,652	



ATTACHMENT B-2

SUBJECT/PROJECT:	Award of a Construction Contract to Garcia Juarez Construction, Inc. for Avocado Boulevard, Calavo Drive, Louisa Drive, Hidden Mesa Drive Sanitary Sewer Replacement
S2019-001102	
S2020-001102	
S2022-001102	
S2026-001102	

Otay Water District
S2020 - Calavo Drive 8-inch Sewer Main Replacement

Date Updated: January 11, 2012

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
550,000					
Planning					
Labor	5,352	5,352		5,352	
Consultant Contracts	2,185	2,185	-	2,185	LEE & RO INC
Total Planning	7,537	7,537	-	7,537	
Design					
Labor	22,109	22,109	-	22,109	
Other Agency Fees	3,460	3,460	-	3,460	COUNTY OF SAN DIEGO
Consultant Contracts	8,000	8,000	-	8,000	DARNELL & ASSOCIATES INC
	4,430	4,430	-	4,430	MTGL INC
	21,588	21,588	-	21,588	LEE & RO INC
Supplier Contracts	188	188	-	188	US BANK CORPORATE PAYMENT
Service Contracts	145	145	-	145	US BANK CORPORATE PAYMENT
Total Design	59,920	59,920	-	59,920	
Construction					
Labor	25,000	380	24,620	25,000	
Construction Contracts	456,000		456,000	456,000	GARCIA JUAREZ
Consultant Contracts	400	400	-	400	LEE & RO INC
	40,000	-	40,000	40,000	VALLEY CM
Service Contracts	1,000	967	33	1,000	MAYER REPROGRAPHICS INC
	32	32	-	32	US BANK CORPORATE PAYMENT
	10,000	-	10,000	10,000	PUBLIC OUTREACH
Total Construction	532,432	1,779	530,653	532,432	
Grand Total	599,889	69,236	530,653	599,889	



ATTACHMENT B-3

SUBJECT/PROJECT:	Award of a Construction Contract to Garcia Juarez Construction, Inc. for Avocado Boulevard, Calavo Drive, Louisa Drive, Hidden Mesa Drive Sanitary Sewer Replacement
S2019-001102	
S2020-001102	
S2022-001102	
S2026-001102	

Otay Water District
S2022 - Hidden Mesa Drive 8-inch Sewer Main Rehabilitation

Date Updated: January 11, 2012

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
150,000					
Planning					
Labor	1,321	1,321		1,321	
Total Planning	1,321	1,321	-	1,321	
Design					
Labor	21,696	21,696	-	21,696	
Other Agency Fees	3,460	3,460	-	3,460	COUNTY OF SAN DIEGO
Consultant Contracts	4,989	4,989	-	4,989	LEE & RO INC
	6,000	6,000	-	6,000	DARNELL & ASSOCIATES INC
Total Design	36,145	36,145	-	36,145	
Construction					
Labor	12,000	359	11,641	12,000	
Consultant Contracts	403	403	-	403	LEE & RO INC
	9,000		9,000	9,000	VALLEY CM
Construction Contracts	110,000		110,000	110,000	GARCIA JUAREZ
Service Contracts	1,000	1,000	-	1,000	MAYER REPROGRAPHICS INC
	32	32	-	32	US BANK CORPORATE PAYMENT
Total Construction	132,435	1,794	130,641	132,435	
Grand Total	169,901	39,260	130,641	169,901	



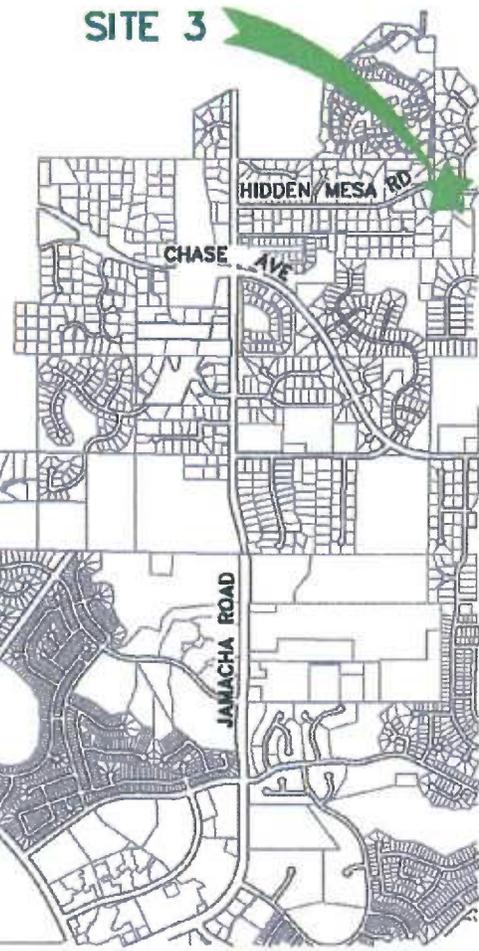
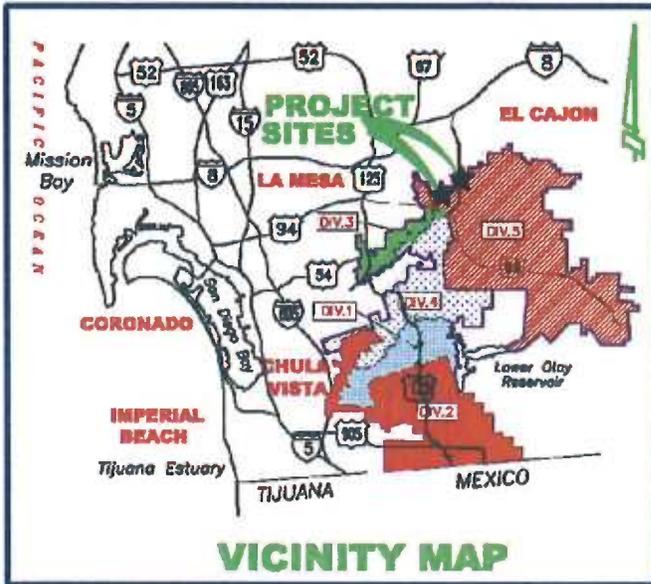
ATTACHMENT B-4

SUBJECT/PROJECT:	Award of a Construction Contract to Garcia Juarez Construction, Inc. for Avocado Boulevard, Calavo Drive, Louisa Drive, Hidden Mesa Drive Sanitary Sewer Replacement
S2019-001102	
S2020-001102	
S2022-001102	
S2026-001102	

Otay Water District
S2026 - Challenge Blvd 8-Inch Sewer Main Repl

Date Updated: January 11, 2012

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
250,000					
Planning					
Labor	1,371	1,371		1,371	
Total Planning	1,371	1,371	-	1,371	
Design					
Labor	6,618	6,618		6,618	
Other Agency Fees	3,460	3,460	-	3,460	COUNTY OF SAN DIEGO
Consultant Contracts	7,059	7,059	-	7,059	LEE & RO INC
	4,800	4,800	-	4,800	DARNELL & ASSOCIATES INC
	4,000	4,000	-	4,000	MTGL INC
Total Design	25,938	25,938	-	25,938	
Construction					
Labor	17,500	5,252	12,248	17,500	
Construction Contract	220,000	-	220,000	220,000	GARCIA JUAREZ
Service Contracts	1,000	1,000	-	1,000	MAYER REPROGRAPHICS INC
	14,000	-	14,000	14,000	VALLEY CM
	32	32	-	32	US BANK CORPORATE PAYMENT
Total Construction	252,532	6,284	246,248	252,532	
Grand Total	279,841	33,592	246,248	279,841	



SITES

1. AVOCADO BOULEVARD 8-INCH SEWER MAIN REPLACEMENT
2. CALAVO DRIVE 8-INCH SEWER MAIN REPLACEMENT
3. HIDDEN MESA DRIVE 8-INCH SEWER MAIN REPLACEMENT
4. CHALLENGE BOULEVARD 8-INCH SEWER MAIN REPLACEMENT

F:\WORKING\CIP_S2019\Staff Reports\Exhibit A.dwg



OTAY WATER DISTRICT
 AVOCADO BOULEVARD, CALAVO DRIVE,
 LOUISA DRIVE & HIDDEN MESA DRIVE
 SANITARY SEWER REPLACEMENT

CIP S2019
 CIP S2020
 CIP S2022
 CIP S2026

EXHIBIT A



STAFF REPORT

TYPE MEETING:	Regular Board	MEETING DATE:	February 1, 2012
SUBMITTED BY:	Jeff Marchioro <i>JM</i> Senior Civil Engineer	CIP./G.F. NO:	P2434- DIV. NO. 2,4 001102
	Ron Ripperger <i>[Signature]</i> Engineering Manager		
APPROVED BY: (Chief)	Rod Posada <i>[Signature]</i> Chief, Engineering		
APPROVED BY: (Asst. GM):	Manny Magaña <i>[Signature]</i> Assistant General Manager, Engineering and Operations		
SUBJECT:	Informational Item - An Update on the Architectural Design for the Rancho del Rey Well Project		

GENERAL MANAGER'S RECOMMENDATION:

No recommendation. This is an informational item only.

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To update the Otay Water District (District) Board of Directors (Board) on the progress of the Architectural Design relating to the Rancho del Rey Well Project (Project).

ANALYSIS:

In 1997, the District purchased an existing brackish groundwater production well and associated property along Rancho del Rey Parkway (see Exhibit A for Project location).

In 1999, the District split the property and sold the excess land. The property modification was approved through a City of Chula Vista planning process that included a tract map with plans for a developer to build a childcare facility (Childtime) and a common driveway to serve Childtime's and the District's sites. The District acquired an access easement from Childtime in 2001.

At the time the property was purchased, the Project was considered economically unfeasible. Consequently, the Project was suspended until the cost of imported water began to escalate in recent years.

In 2010, a new production well was installed. After testing was completed, Staff contracted with Separation Processes, Inc. (SPI), a well-known membrane treatment firm, to conduct a feasibility study. Staff also contracted with a local architect, S.R. Bradley & Associates, Inc. (Bradley), to prepare artist renderings of the proposed treatment facility to show how it would fit on the site and be compatible with the neighborhood. The renderings were prepared based on a preliminary footprint layout prepared by SPI. The renderings and the layout were presented to the Board on August 10, 2011.

In April 2011, the Board awarded a professional services contract to Tetra Tech, Inc. (Tetra Tech) to provide a range of professional services including engineering design of the treatment plant facility and building structure. Since then, Tetra Tech has designed the treatment facility to an approximate 90% level.

Tetra Tech requires the District's feedback on the architectural design because there are a few conceptual differences between Tetra Tech's design and the previous artist renderings. Most significantly, Tetra Tech has designed the overall height of the building approximately 6 feet higher compared to the artist renderings. Fortunately, the overall height of Tetra Tech's design is similar to nearby two-story residences and the overall height of the existing Childtime structure. The two-story height is needed to accommodate 12-foot tall roll up doors and flat roof trusses. The 12-foot tall doors will facilitate the installation and future replacement of the reverse osmosis treatment equipment skid. The mansard roof at the edges of the building, with a flat area in the middle, will facilitate future replacement of equipment and pumps. Tetra Tech's building design also has a larger footprint and rollup doors have been positioned to better accommodate O&M access compared to the artist renderings.

Tetra Tech and District Staff have attempted to create an architectural solution that considered the previous artist renderings, the appearance of existing Childtime structure and nearby two-story homes, and the O&M requirements of the treatment facility. Two architectural concepts (Options 1 and

2) have been included in the attached PowerPoint presentation (Exhibit B).

FISCAL IMPACT: _____

None.

STRATEGIC GOAL:

This Project supports the District's Mission statement, "To provide customers with the best quality water, wastewater, and recycled water service in a professional, effective, and efficient manner" and the District's Vision, "A District that is innovative in providing water services at affordable rates, with a reputation for outstanding customer service."

LEGAL IMPACT: _____

None.



General Manager

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JM/RR:jf

Attachments: Attachment A - Committee Action
Exhibit A - Location Map
Exhibit B - PowerPoint Presentation



ATTACHMENT A

SUBJECT/PROJECT: P2434-001102	Informational Item - An Update on the Architectural Design for the Rancho del Rey Well Project
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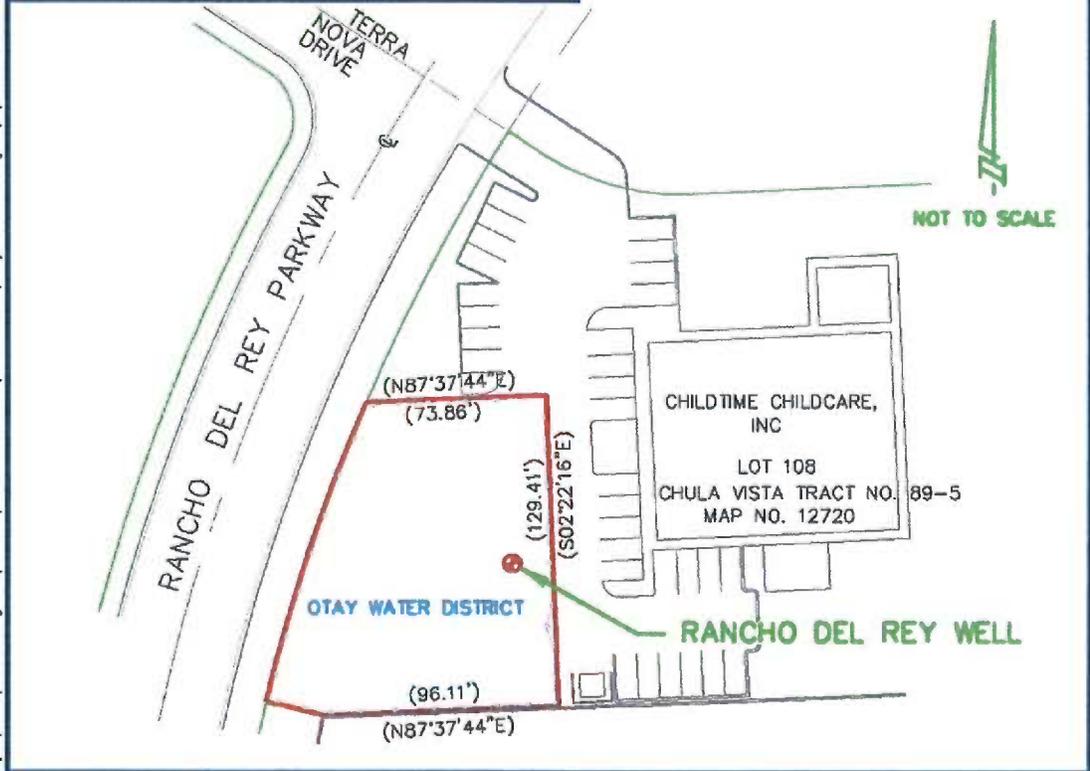
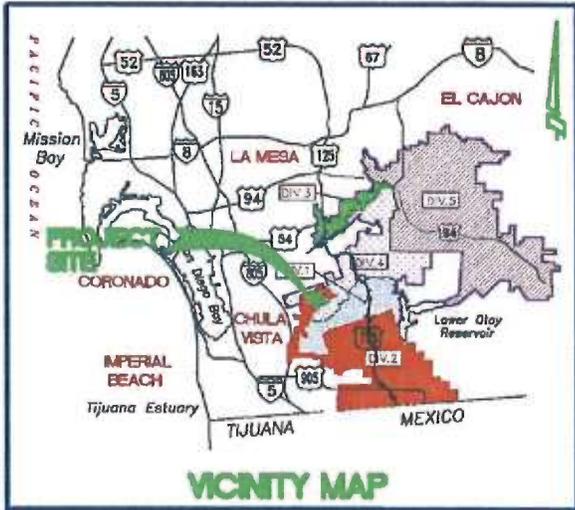
COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on January 24, 2012. 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.

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OTAY WATER DISTRICT
 RANCHO DEL WAY PARKWAY, CHULA VISTA, CA
 RANCHO DEL REY GROUND WATER DEVELOPMENT

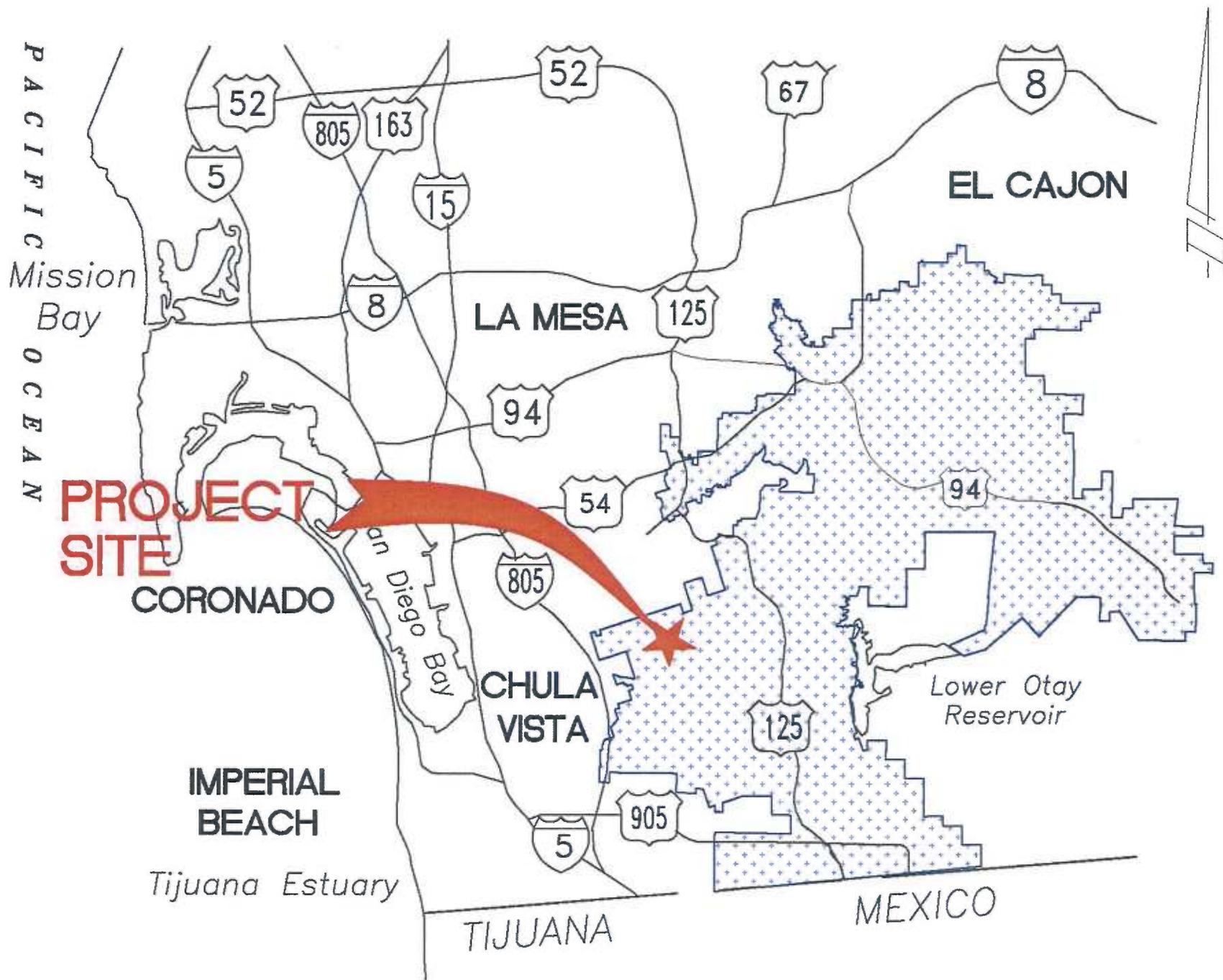
CIP P2434

EXHIBIT A



Architectural Design Update for:
Rancho del Rey Well

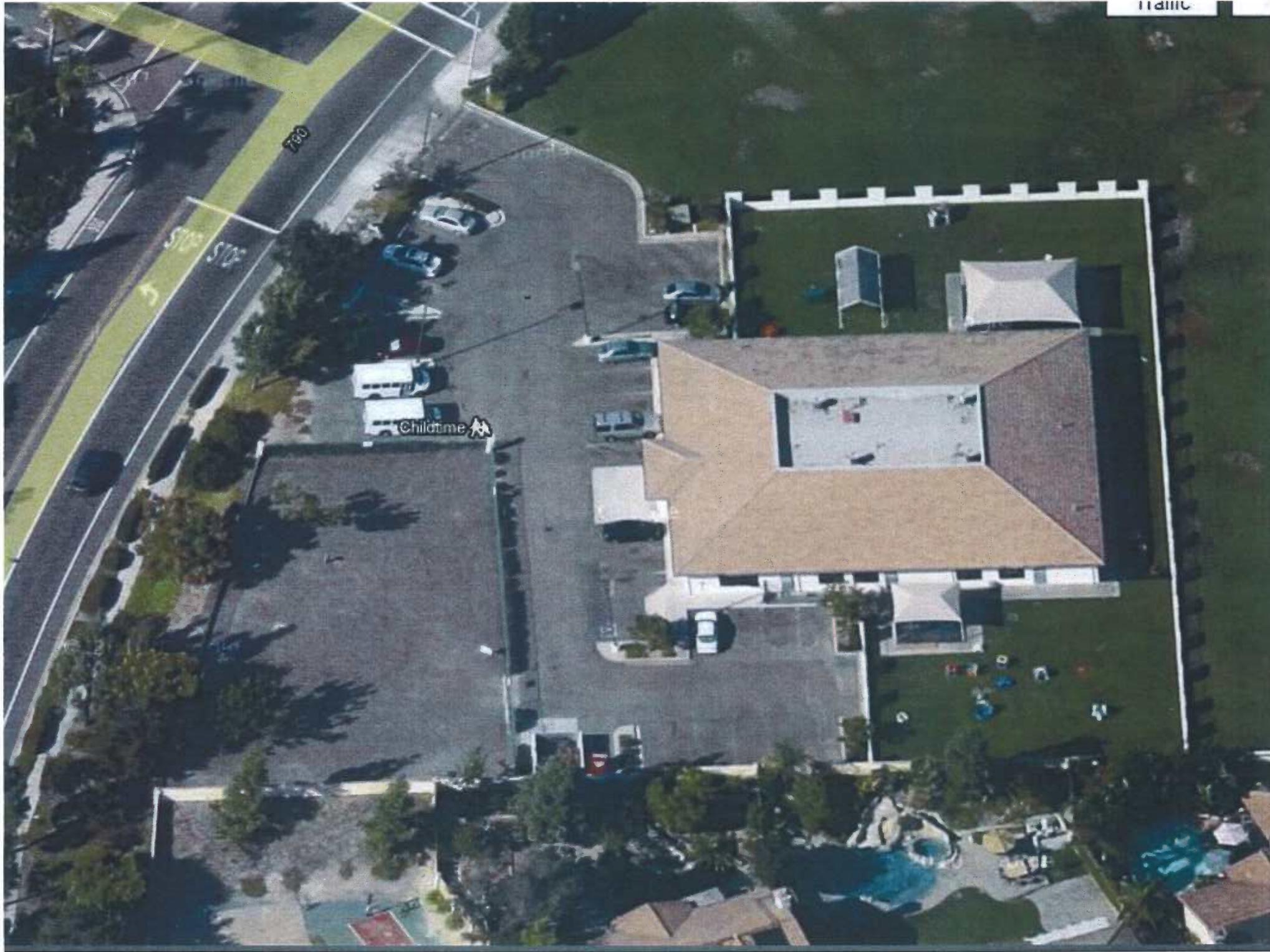
February 1, 2012



VICINITY MAP



RDR Well site



Childtime

Childtime



CHILDTIME



Adjacent Residences



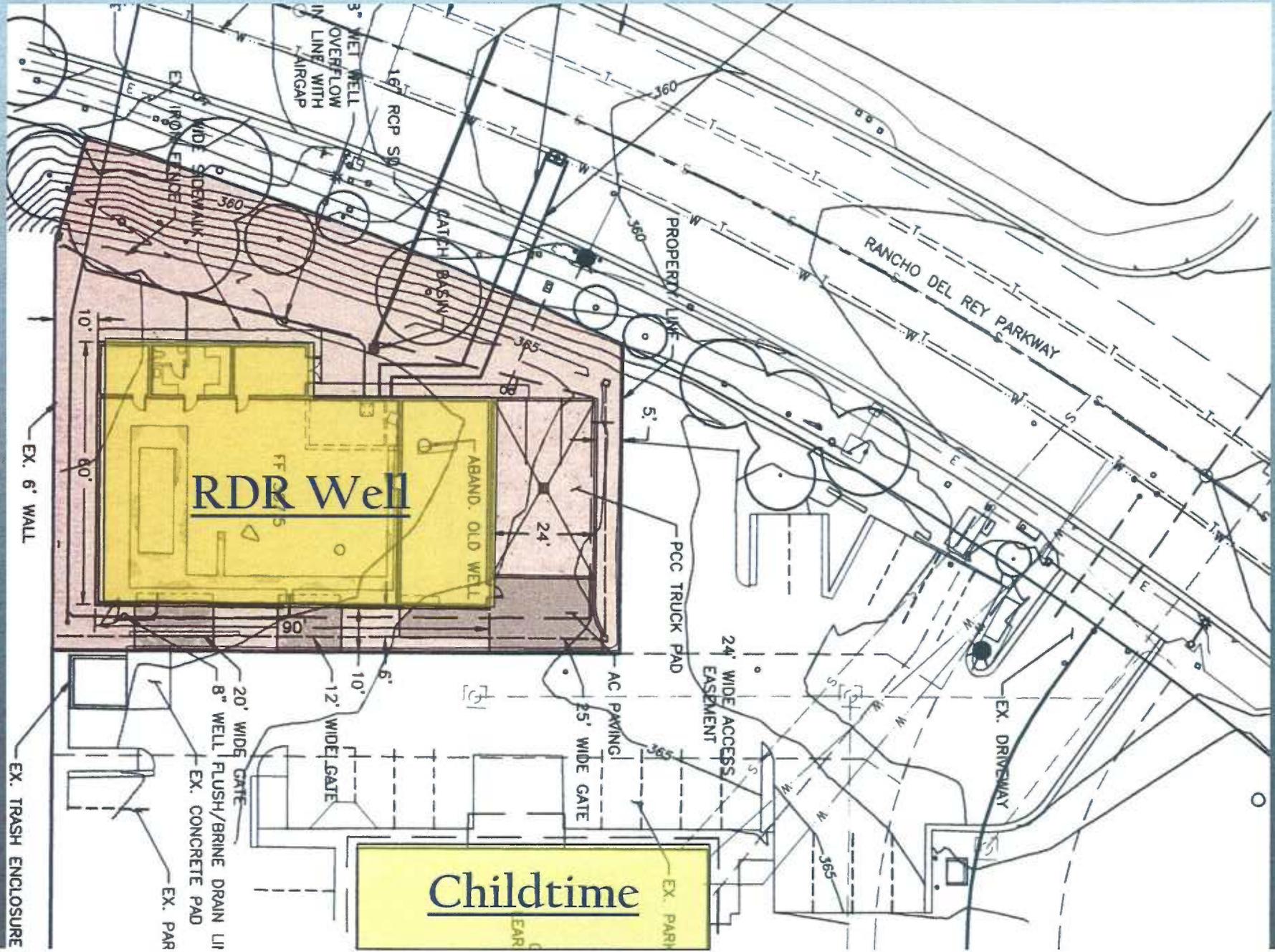
Artist Rendering



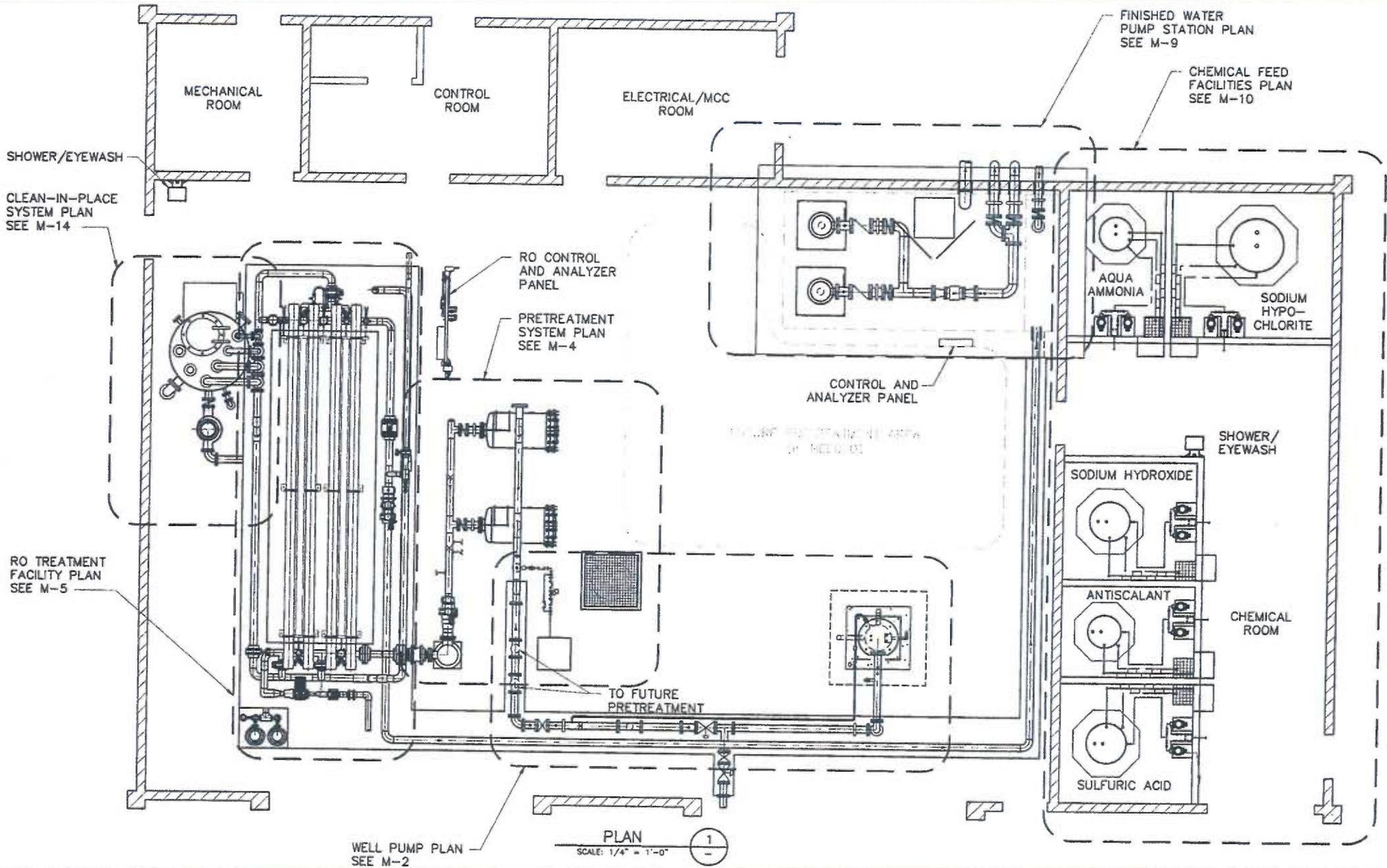
Artist Rendering



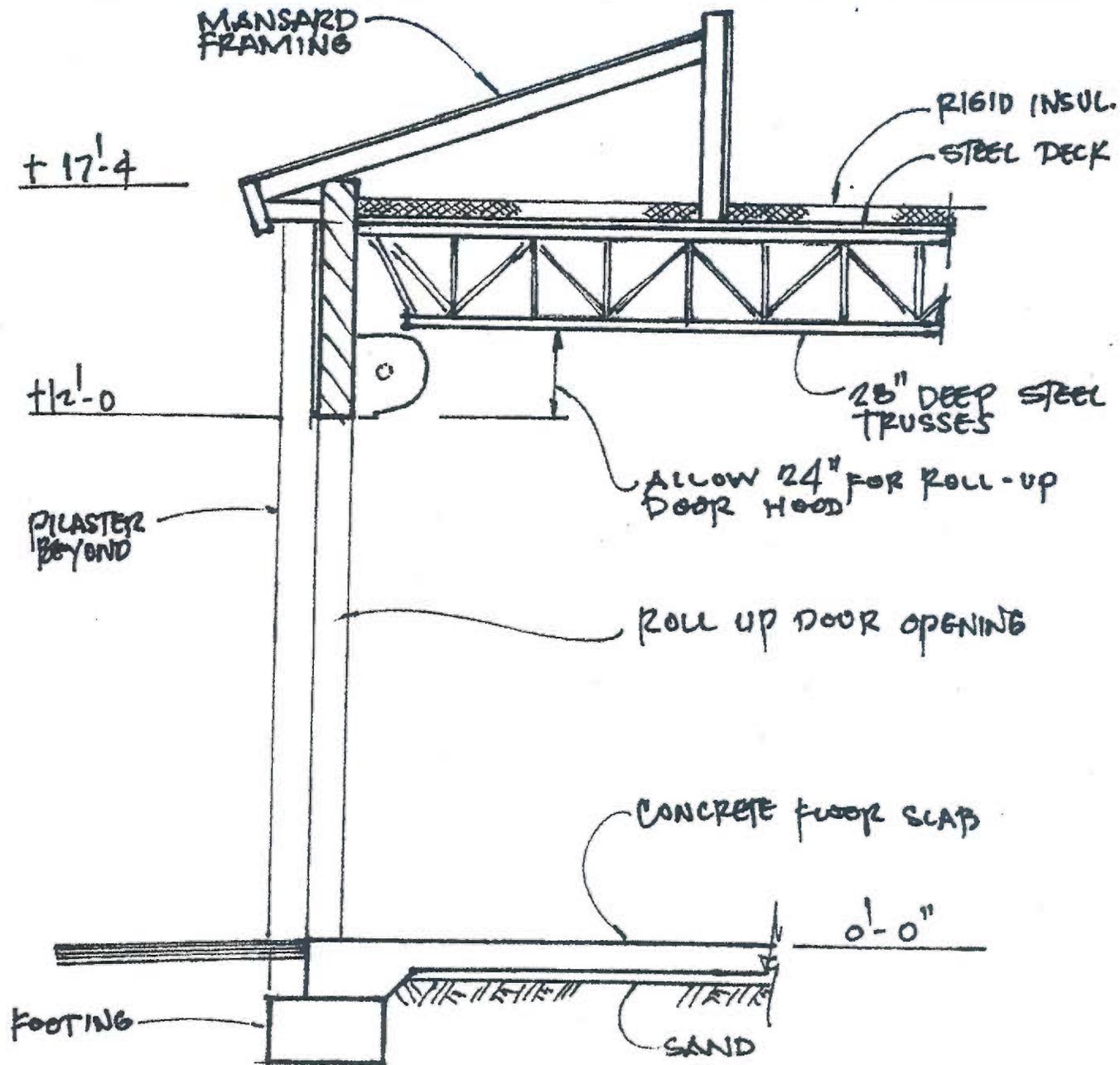
Site Plan



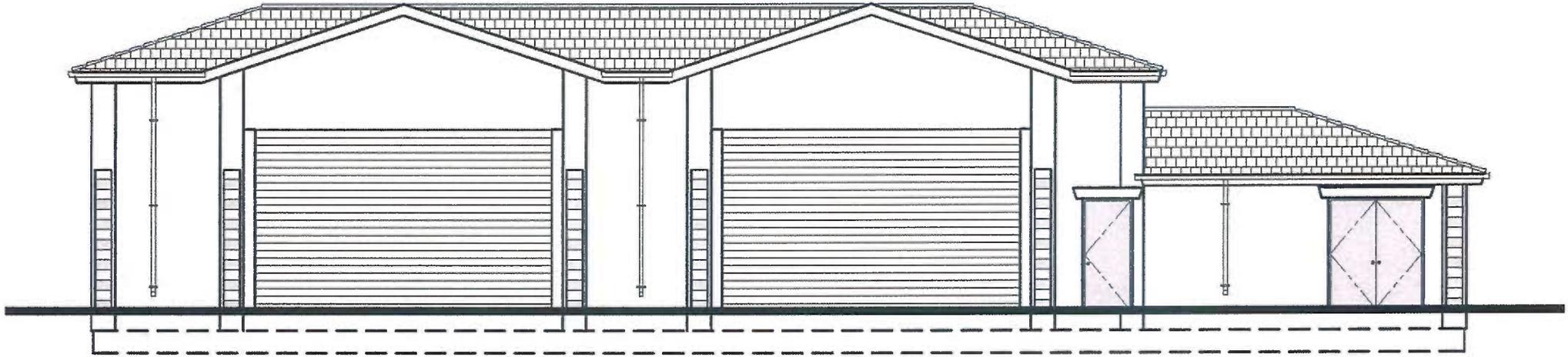
Building Plan



Building Height



Arch Elevations – Option 1

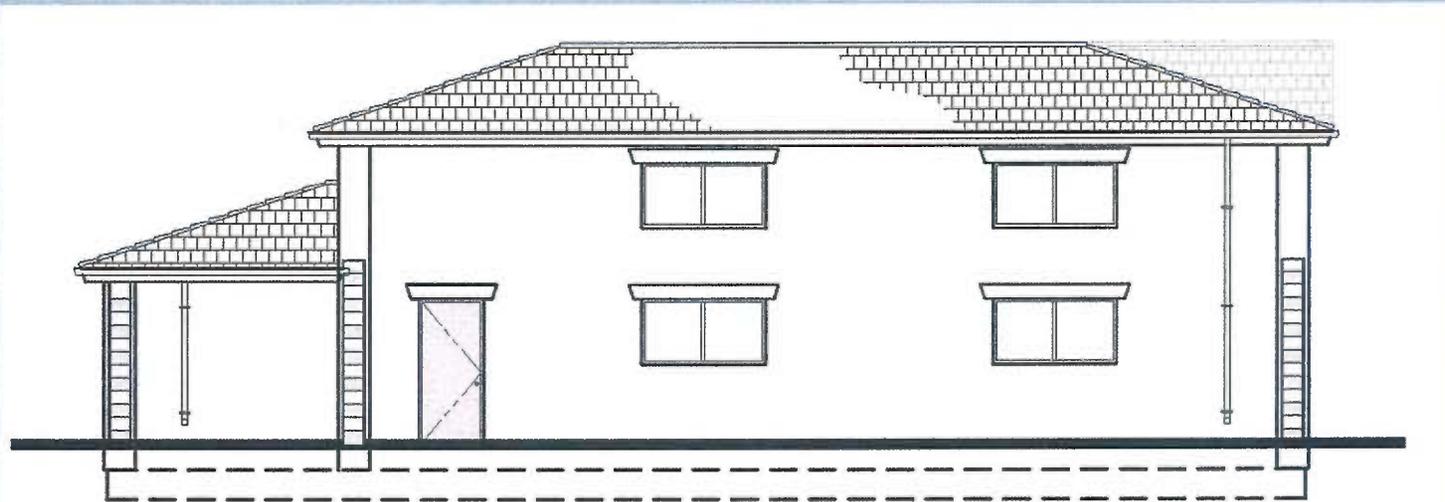


VIEW FROM CHILDTIME

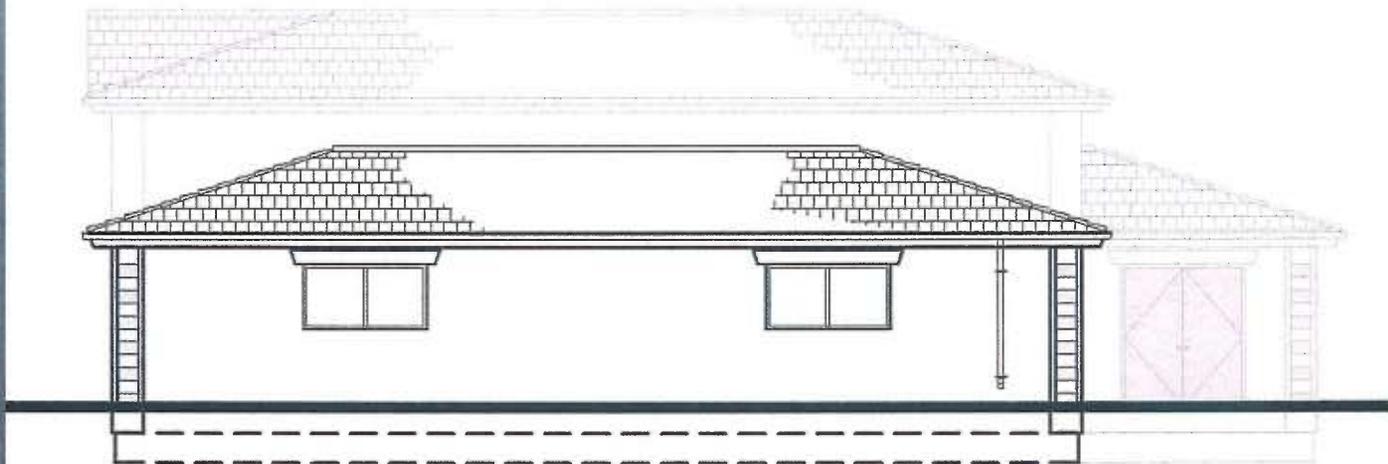


VIEW FROM STREET

Arch Elevations – Option 1

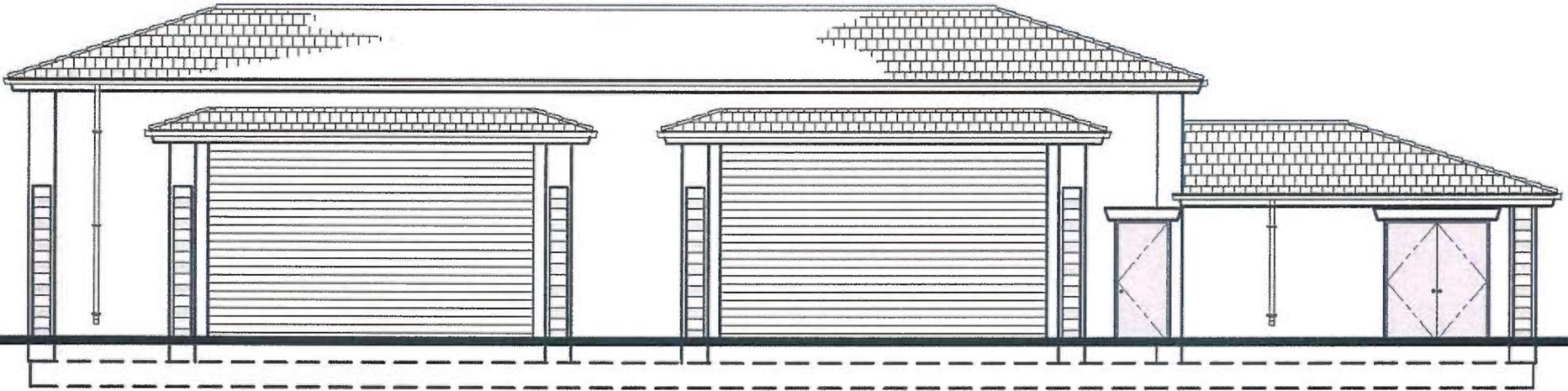


VIEW FROM SIDE YARD

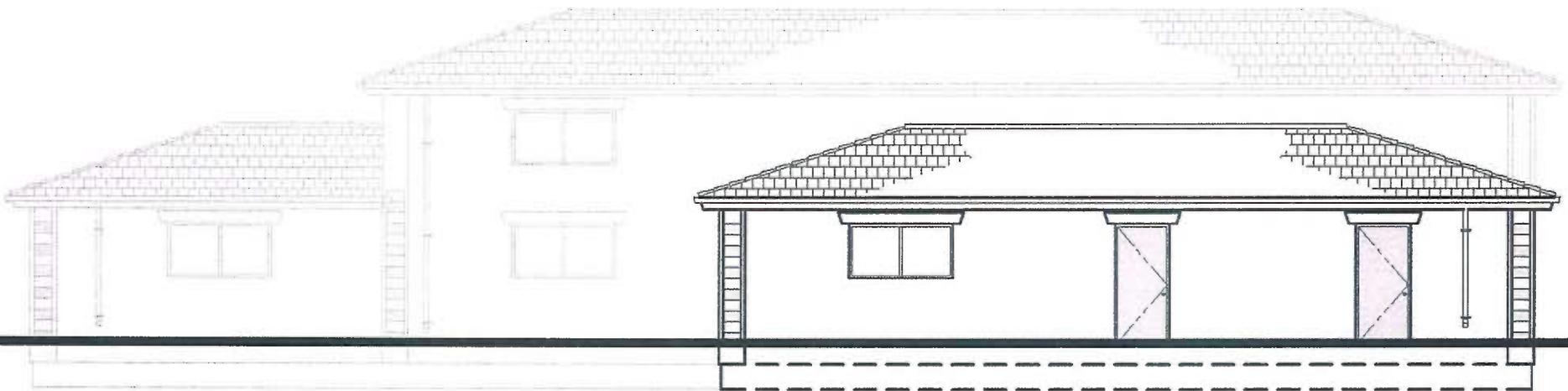


VIEW FROM DRIVEWAY

Arch Elevations – Option 2



VIEW FROM CHILDTIME

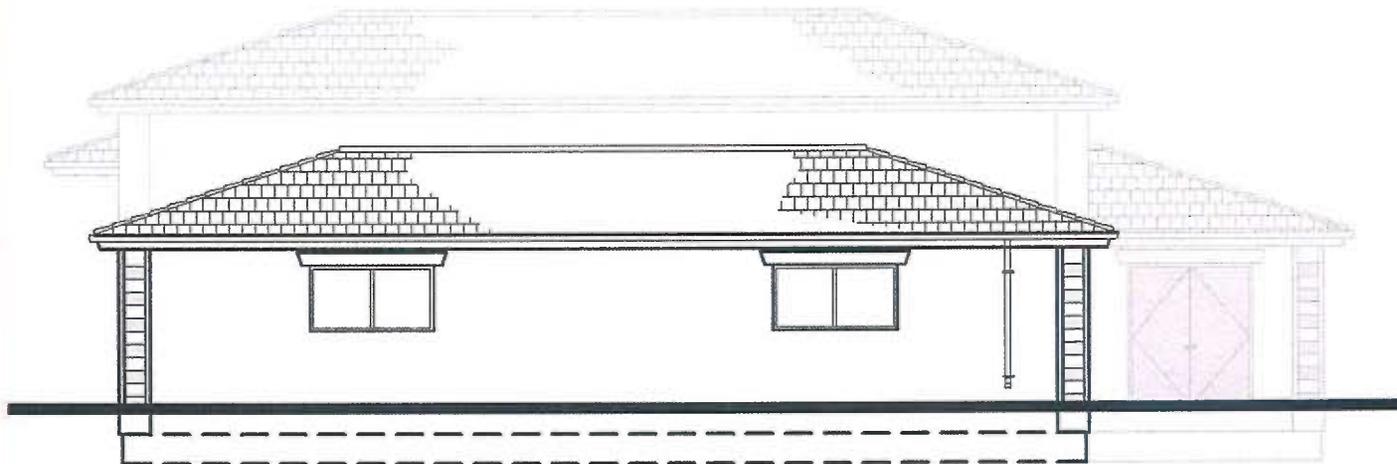


VIEW FROM STREET

Arch Elevations – Option 2



VIEW FROM SIDE YARD



VIEW FROM DRIVEWAY



STAFF REPORT

TYPE MEETING: Regular Board	MEETING DATE: February 1, 2012
SUBMITTED BY: Jeff Marchioro <i>JM</i> Senior Civil Engineer	PROJECT/ SUBPROJECT: P2370-01103 DIV. NO. 3
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 P2370 in the amount of \$25,000 and send an Improvement Notice to Customers Surrounding the Dorchester Reservoir related to the La Presa System Improvements Project	

GENERAL MANAGER'S RECOMMENDATION:

That the Otay Water District (District) Board of Directors (Board) increase the budget for CIP P2370 in the amount of \$25,000 (increase the overall CIP budget from \$1,210,000 to \$1,235,000) and authorize District staff to send an Improvement Notice to 63 customers surrounding the Dorchester Reservoir (see Exhibits A and B).

COMMITTEE ACTION: _____

Please see Attachment A.

PURPOSE:

To obtain Board approval to increase the budget for CIP P2370 in the amount of \$25,000 and to obtain Board authorization to send an Improvement Notice to 63 customers surrounding the Dorchester Reservoir.

ANALYSIS:

In February 2011, staff completed a preliminary design report that included demolition of the Dorchester Reservoir and Pump Station. The existing 1 MG Dorchester Reservoir has not been used for approximately 10 years.

The Dorchester Reservoir was originally designed to store water from the San Diego County Water Authority's Second Aqueduct (Pipeline 3) with the inherent inefficiency of "breaking head" (640 hydraulic grade line) to the Dorchester Reservoir (451 high water level). A pump station located at the Dorchester Reservoir site was then utilized to pump the water to the 590 Pressure Zone. When the Dorchester Reservoir was taken out of service, the Dorchester Pump Station was retrofitted to reduce pressure from the District's existing 640 Pressure Zone to the 590 Pressure Zone. The 590 Pressure Zone currently serves 63 customers. The existing 590 Pressure Zone will become part of the existing 640 Pressure Zone. Once the new interconnection has been constructed and demolition completed, the property may be suitable for sale.

The final design for La Presa System Improvements project, including the demolition of the Dorchester and pump station, was completed in September 2011. The Board awarded the construction project to TC Construction, Inc. on November 2, 2011. The Project includes demolition of the 1 MG steel reservoir, building, pump station, vaults, piping, and appurtenances and the construction of a new interconnection located in Dorchester Street.

TC Construction is ready to begin construction of the interconnection in Dorchester Street which will result in a 30-35 psi increase (increase the pressure from approximately 55-70 psi to 90-100 psi at the meter). The November 2, 2011 staff report previously reported a 22 psi increase (increase the pressure from approximately 70-80 to 90-100 psi at the meter) based on the previously anticipated hydraulic grade lines. However, field pressure measurements suggest that the 590 pressure zone has been running at a lower hydraulic gradeline (approximately 570 hydraulic gradeline). During field reconnaissance, only a few private reducing valves (pressure regulators) were observed from the street.

Code of Ordinance Section 23.03, enacted on October 15, 1984, requires homeowners to provide adequate safeguard measures for their water system wherever pressure regulation is necessary. However, since the 63 homes were built in the 1970's prior to the adoption of Section 23.03, these homes may or may not have pressure regulators. Staff estimates that the cost to replace an existing private pressure regulator, or add a new private pressure regulator, will be approximately \$350 per residence. Affected customers can apply to receive a rebate for up to \$350 to replace or add a new pressure regulator. The total cost for the \$350 rebate for 63 customers, plus District staff time, is estimated to be \$25,000.

The following schedule is proposed:

1. Notify affected 63 homes about the change in pressure and 1 day maximum shutdown.	February 2, 2012
2. Official time for homeowners to install private pressure regulators.	February 2 to March 2
3. To allow for some delay for private pressure regulator installation.	March 2 to March 16
4. Slowly adjust the existing Dorchester PRS valve settings and increase the pressure on the affected 63 homes.	March 16 to March 30
5. Construct the 640/590 interconnect and permanently eliminate the 590 zone.	April 2
6. Demolish the Dorchester Reservoir and PRS.	April - May

FISCAL IMPACT:



The Fiscal Year 2012 budget for CIP P2370 is \$1,210,000. Total expenditures, plus outstanding commitments and forecast, including this contract, are \$1,235,000. See Attachment B for budget detail.

Based on a review of the financial budget, the Project Manager anticipates that with a budget increase of \$25,000 the Project will be completed within the new budget amount of \$1,235,000. It is anticipated that the actual overall CIP expenditures in Fiscal Year 2012 will be well below the overall CIP budget making sufficient reserves available to fund this budget increase.

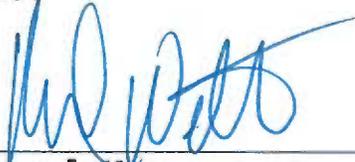
As a part of the Fiscal Year 2013 budget process, the reserve where this CIP is funded from will be assessed and will be allocated the necessary funds at that time.

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

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JM/RR:jf

- Attachments: Attachment A - Committee Action
 Attachment B - Budget Detail
 Exhibit A - Location Map
 Exhibit B - Improvement Notice to Customers



ATTACHMENT A

SUBJECT/PROJECT: P2370-001103	Increase the Budget for CIP P2370 in the amount of \$25,000 and send an Improvement Notice to Customers Surrounding the Dorchester Reservoir related to the La Presa System Improvements Project
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COMMITTEE ACTION:

The Engineering, Operations, and Water Resources Committee reviewed this item at a meeting held on January 24, 2012. The Committee supported Staff's recommendation.

NOTE:

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



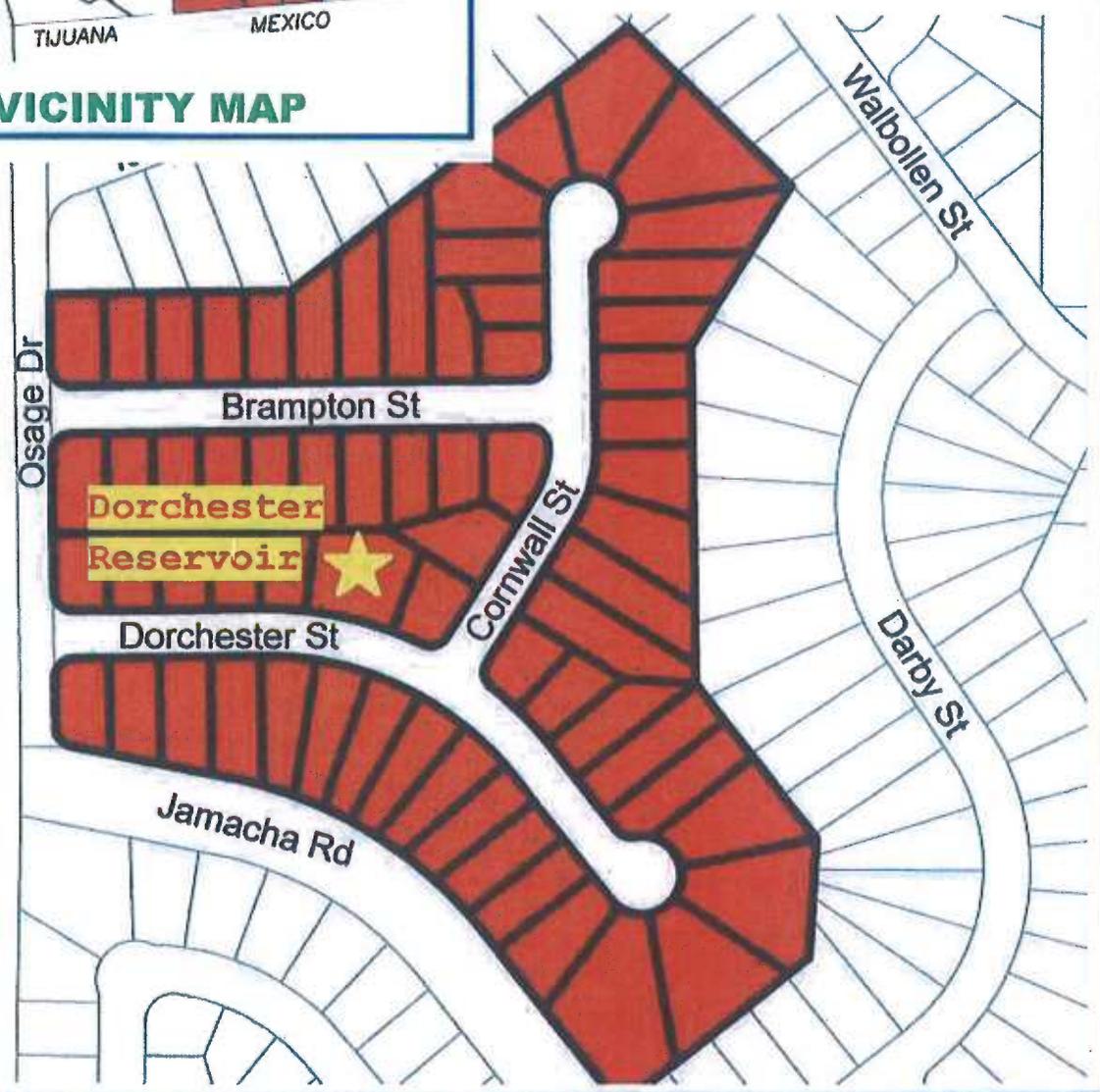
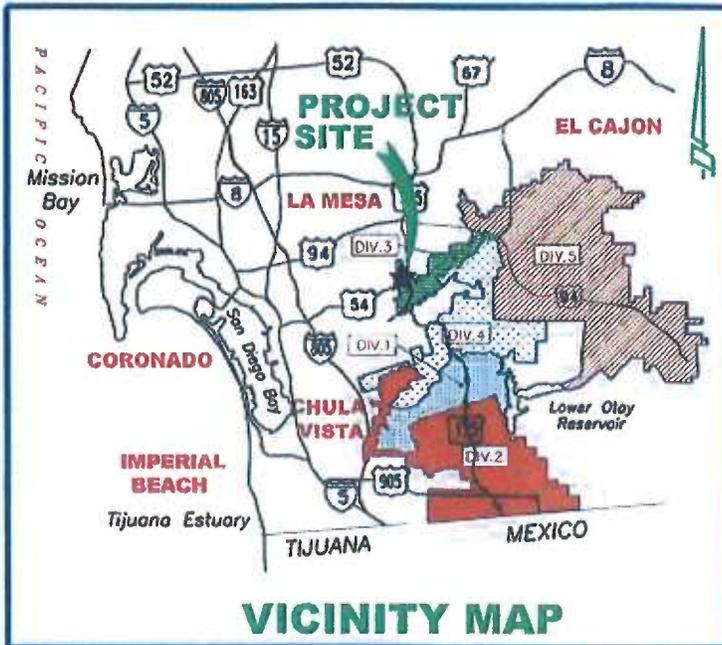
ATTACHMENT B

SUBJECT/PROJECT:	Increase the Budget for CIP P2370 in the amount of \$25,000 and send an Improvement Notice to Customers Surrounding the Dorchester Reservoir related to the La Presa System Improvements Project
P2370-001103	

Otay Water District
P2370 - La Presa System Improvements

Date Updated: January 17, 2012

<i>Budget</i>	<i>Committed</i>	<i>Expenditures</i>	<i>Outstanding Commitment & Forecast</i>	<i>Projected Final Cost</i>	<i>Vendor/Comments</i>
1,235,000					
Planning					
Labor	2,130	2,130		2,130	
Regulatory Agency Fees	50	50	-	50	PETTY CASH CUSTODIAN
Service Contracts	204	204	-	204	US BANK CORPORATE PAYMENT
Total Planning	2,384	2,384	-	2,384	
Design					
Labor	91,534	91,534		91,534	
Professional Legal Fees	724	724	-	724	STUTZ ARTIANO SHINOFF
Consultant Contracts	1,285	1,285	-	1,285	ALTA LAND SURVEYING INC
	2,148	2,148	-	2,148	V & A CONSULTING ENGINEERS
	8,550	8,550	-	8,550	ENGINEERING PARTNERS INC, THE
	900	900	-	900	MTGL INC
Construction Contracts	2,687	2,687	-	2,687	CPM PARTNERS INC
Service Contracts	304	304	-	304	SAN DIEGO UNION-TRIBUNE LLC
	175	175	-	175	SAN DIEGO DAILY TRANSCRIPT
Total Design	108,308	108,308	-	108,308	
Construction					
Labor	74,000	34,578	39,422	74,000	
Regulatory Agency Fees	1,134	1,134	-	1,134	COUNTY OF SAN DIEGO - DPW
Construction Contracts	881,096	-	881,096	881,096	TC CONSTRUCTION INC
	30,350	-	30,350	30,350	PACIFIC METER SERVICES INC
	6,801	6,801	-	6,801	SAN DIEGO GAS & ELECTRIC
	97,900	-	97,900	97,900	CALIFORNIA BANK & TRUST
Service Contracts	2,323	1,663	661	2,323	MAYER REPROGRAPHICS INC
Infrastructure Equipment &	778	778	-	778	PACIFIC PIPELINE SUPPLY
Inventory	1,357	1,357	-	1,357	
Pressure Regulators	25,000	-	25,000	25,000	REBATES
Total Construction	1,120,739	46,311	1,074,428	1,120,739	
Grand Total	1,231,431	157,003	1,074,428	1,231,431	



OTAY WATER DISTRICT
 LA PRESA SYSTEM IMPROVEMENTS
 MAP SHOWING AFFECTED CUSTOMERS
 SURROUNDING THE DORCHESTER RESERVOIR CIP P2370

EXHIBIT A

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Dorchester Reservoir Project



*Dorchester Reservoir
Scheduled for Removal*



About the Project

PROJECT NAME

Dorchester Reservoir Removal Project

LOCATION

Dorchester Street near Cornwall Street

DESCRIPTION

The Dorchester Reservoir is scheduled for removal. A small pump station and other onsite equipment will also be removed. Fencing will remain after the reservoir's removal.

REASON

The one million gallon water storage reservoir was first built in 1959 . The community is now served by a newer reservoir so the Dorchester Reservoir is no longer needed. Removal will also save ratepayers money by eliminating an ongoing maintenance cost.

TIMELINE

March.....Site Mobilization

April.....One-Day Service Interruption

May - June.....Demobilize equipment and clear site

PROJECT MANAGER

Jeff Marchioro P.E.
619-670-2725
jeff.marchioro@otaywater.gov



Dedicated to Community Service

Dorchester Reservoir Project

Frequently Asked Questions

What is the district doing?

The Dorchester Reservoir is no longer needed to store water for your community. As a result, it is scheduled for removal.

What are the benefits of the project?

This action will save ratepayers money by eliminating a maintenance cost. Removal will also eliminate the visual impact the reservoir has had on your community.

How long will it take?

The district expects the project, which involves removal of the tank and other onsite facilities, will take approximate 2 to 4 months to complete.

Will my water service be affected?

A 1-day service outage is anticipated to occur in April (subject to change). Customers to be affected by the service outage include those on Dorchester, Cornwall, and Brampton Streets.

Residents will be notified before the outage will occur. Mobile water stations will also be placed in your community to provide potable water for drinking and for flushing toilets. We regret the inconvenience this will cause.

What will happen to the site?

The final disposition of the property has not been determined at this time.

What are the hours of operation?

The hours of operation will be Monday through Friday, 7:00 am to 5:00 pm.

Will there be other impacts?

Due to the reservoir's large size, removal requires large equipment as well as trucks to haul away debris. Noise and some dust will be unavoidable. District staff will work closely with the contractor to minimize impacts to residents.

What else should residents expect?

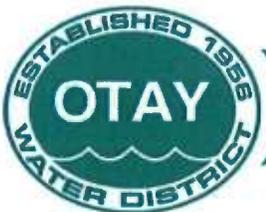
Homes in this community will experience a permanent increase in water pressure by 30 to 35 psi. If your home has a pressure regulator as required by the Otay Water District Code of Ordinance Section 23.03, you will experience no change in your home's water pressure.

How do I know if I have a pressure regulator?

Pressure regulators are commonly located near the point where water service enters your home. Your regulator may be located in the garage, near an existing water shutoff valve, or close to a water heater.

What if I do not have a regulator or if my regulator needs to be replaced?

Affected customers can apply to receive a \$350.00 rebate to add a new regulator or replace a faulty regulator.



For more information, please call Jeff Marchioro, Project Manager, at 619-670-2725.