

ORDINANCE NUMBER O- 21963 (NEW SERIES)

DATE OF FINAL PASSAGE JUN 05 2025

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SAN DIEGO APPROPRIATING FUNDING FOR THE
EXTENSION OF INSURANCE COVERAGE FOR AN OWNER-
CONTROLLED INSURANCE PROGRAM FOR THE NORTH
CITY PURE WATER PHASE 1 PROJECT AND
AUTHORIZING RELATED ACTIONS.

RECITALS

The Council of the City of San Diego (Council) adopts this Ordinance based on the following:

- A. On December 5, 2018, City Council approved the Owner-Controlled Insurance Program (OCIP) through Ordinance O-21028 to provide comprehensive insurance coverage for the construction of the Pure Water Phase 1 project, including worker's compensation, general and excess liability, contractor's pollution liability and builder's risk insurance.
- B. In January 2019, the City awarded an agreement to AON Risk Insurance Services West, Inc. (AON) to act as the City's OCIP broker of record for Pure Water Phase 1 project for a period of five years.
- C. On November 22, 2023, City Council approved a First Amendment to the Agreement with AON to extend the term of the Agreement an additional five years to allow for continued administration of the OCIP.
- D. The initial term of the OCIP insurance coverage was for a period of 15 years, with five years allocated to cover the construction activities of Pure Water Phase 1 and the remaining 10 years designated for the "tail" period following construction for the general and pollution liability policies.

E. Pure Water Phase 1 construction is both large and complex, and changed conditions have been encountered on all of the construction contracts, resulting in construction delays.

F. An additional five years of coverage for the extended construction period, bringing the total duration of coverage to 20 years, is necessary to account for the delays in construction.

G. An additional \$9,769,340 is required to maintain the coverage in force for the duration of construction and for any additional insurance based on the final value of the construction contracts for Pure Water Phase 1, bringing the total amount appropriated for the OCIP to \$38,000,000.

H. The Office of the City Attorney prepared this Ordinance based on the information provided by City staff (including information provided by affected third parties and verified by City staff), with the understanding that this information is complete and accurate.

I. The Agreement is subject to San Diego Charter Section 99, which provides (subject to certain exceptions) that no contract, agreement, or obligation creating indebtedness and extending for a period of more than five years may be authorized except by an ordinance adopted by a two-thirds majority of the Council.

ACTION ITEMS

Be it ordained by the Council of the City of San Diego:


Section 1. The Chief Financial Officer is authorized to expend an additional amount not to exceed \$9,769,340, for the purposes of continuing the insurance coverages under the OCIP for Pure Water Phase 1, estimated to be spent as follows: \$9,228,637.26 from CIP A-LA.00001,

Pure Water Phase 1 (\$3,740,417.47 from B-21058, PWP North City Pure Water Facility Pkg 2; \$122,710.56 from B-15140, North City Pure Water Pump Station; \$1,745,697.44 from B-15141, PWP Morena Conveyance; \$981,954.81 from B-21061, PWP Morena Wastewater Pump Station; \$1,347,095.14 from B-21060, PWP NCWRP Expansion; \$93,795.71 from B-21059, PWP NCWRP Flow Equalization Basin; \$81,766.71 from B-21128, PWP NCWRP Expansion (W); \$777,260.20 from B-16035, North City Pure Water Pipeline; \$183,452.72 from B-16140, NCPWF Influent Pump Station and Pipeline; \$28,966.22 from B-17006, NC-MBC Improvements; \$125,520.28 from B-17190, Miramar Reservoir Pump Station Improvements), of which \$5,327,896.50 is from Fund 700010, Water Utility CIP, and \$3,900,740.76 is from Fund 700009, Metro Sewer CIP; \$251,040.56 from CIP S-17012, NCWRP Improvements to 30 MGD, of which \$25,104.06 is from Fund 700010, Water Utility CIP, and \$225,936.50 is from Fund 700009, Metro Sewer CIP; and \$289,662.18 from CIP S-17013, MBC Equipment Upgrades, Fund 700009, Metro Sewer CIP. The funds are authorized for the purpose of funding the OCIP extension, contingent upon the adoption of the Annual Appropriation Ordinance for the applicable fiscal year, and contingent upon the Chief Financial Officer furnishing one or more certificates certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

Section 2. The Council dispenses with a full reading of this Ordinance before its passage because a written copy of this Ordinance was made available to the Council and the public before the date of its passage.

Section 3. This Ordinance will take effect and be in force on the thirtieth day from
and after its final passage.

APPROVED: HEATHER FERBERT, City Attorney

By 
Elizabeth Anne Cason
Lead Deputy City Attorney

EAC:lmj
April 29, 2025
May 2, 2025, COR. COPY
May 8, 2025, COR. COPY 2
Or.Dept: Public Utilities Department
Doc. No. 4040186_3

I certify that the Council of the City of San Diego adopted this Ordinance at a meeting held on
JUN 03 2025.

DIANA J.S. FUENTES
City Clerk

By 
Deputy City Clerk

Approved: 6/5/25
(date)


TODD GLORIA, Mayor

Vetoed: _____
(date)

TODD GLORIA, Mayor

JUN 03 2025

Passed by the Council of The City of San Diego on _____, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry L. Foster III	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kent Lee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul A. Campillo	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage **JUN 05 2025**

AUTHENTICATED BY:

TODD GLORIA

Mayor of The City of San Diego, California.

(Seal)

DIANA J.S. FUENTES

City Clerk of The City of San Diego, California.

By *Kristine Medina*, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

MAY 13 2025

, and on **JUN 05 2025**

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

DIANA J.S. FUENTES

City Clerk of The City of San Diego, California.

By *Kristine Medina*, Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O- **21963**