



Dinah Willier
Public Affairs Manager

San Diego Gas & Electric
Company
8330 Century Park Court, CP31D
San Diego, CA 92123

November 19, 2019

Mayor Mary Casillas Salas and City Council
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910

Dear Honorable Mayor Casillas Salas and Distinguished Councilmembers,

San Diego Gas & Electric Company (“SDG&E”) appreciates the vision of the Mayor and the City Council of Chula Vista, and we support the planned redevelopment of the Chula Vista Bayfront.

From the removal of the South Bay Power Plant to the undergrounding of utilities to provide an unobstructed canvas for the development, SDG&E recognizes the benefits this project brings to the region. Over many months, we have worked cooperatively with the City and the Port of San Diego to understand details of the development plans for the E Street extension area, which is being considered tonight, because it will greatly impact SDG&E’s 150-wide fee-owned utility corridor that contains critical overhead and underground electric facilities that serves Chula Vista, as well as other SDG&E underground electric, gas, fuel and related infrastructure.

In addition to SDG&E’s support for the Bayfront project, we are obligated to balance our equally important responsibilities to protect SDG&E’s facilities, both current and future configurations, on behalf of our ratepayers, and to insist upon safety and compatibility of the facilities to be constructed at or near SDG&E’s facilities. Our ability to protect SDG&E’s facilities requires that these protections be provided for in the easement rights we are being asked to grant to the City.

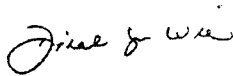
Both SDG&E and City staff have worked tirelessly to this end, and together we have made significant progress toward defining the easement rights and terms to be acquired to assure that the City’s uses are compatible with SDG&E’s critical facilities in this area. However, we do not yet have agreement regarding all critical terms that are needed to assure compatibility, and the Resolution of Necessity package does not contain necessary details, which is why SDG&E, for procedural reasons, must submit this objection so that we do not waive any of our rights to protect this important utility corridor.

We will continue to work with the City toward mutually agreeable easement terms to assure compatibility of all public uses in the areas, but until we have final easement documents to which

we both agree, SDG&E must respectfully oppose the adoption of Resolution 19-0512 and state our objections for the record to preserve our rights.

We reiterate that SDG&E absolutely recognizes the benefits and supports this Project, and we will continue to work hard with City staff to make sure the rights to be acquired by the City are defined in a way to make sure the City's proposed uses are compatible with SDGE's current and future public use of this corridor.

Respectfully,



Dinah Willier
Public Affairs Manager

Attachment

Cc: Gary Halbert, City Manager, City of Chula Vista
Eric Crockett, Director of Economic Development and Sustainability, City of Chula Vista
Adam Meyer, Department Manager, Real Estate, Port of San Diego
Stephanie Shook, Department Manager, Redevelopment, Port of San Diego
Warren Ruis, Director of Governmental Affairs, SDG&E
Vanessa Mapula Garcia, Senior Public Affairs Manager, SDG&E

**WRITTEN STATEMENT OF SAN DIEGO GAS & ELECTRIC COMPANY
REGARDING THE ADOPTION OF RESOLUTION 19-0512, RESOLUTION OF
NECESSITY OF THE CITY OF CHULA VISTA TO ACQUIRE CERTAIN REAL
PROPERTY OR INTEREST IN REAL PROPERTY BY EMINENT DOMAIN FOR E
STREET EXTENSION AND TEMPORARY ACCESS FOR CONSTRUCTION OF
ROAD AND WALL**

**MEETING OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA ON
TUESDAY, NOVEMBER 19, 2019**

San Diego Gas & Electric Company (“SDG&E”) appreciates the vision of the Mayor and the City Council of Chula Vista, and we support the planned redevelopment of the Chula Vista Bayfront. From the removal of the South Bay Power Plant to the undergrounding of utilities to provide an unobstructed canvas for the development, SDG&E recognizes the benefits this project brings to the region. Over many months, we have worked cooperatively with the City and the Port of San Diego to understand details of the development plans for the E Street extension area, which is being considered tonight, because it will greatly impact SDG&E’s 150-wide fee-owned utility corridor that contains critical overhead and underground electric facilities that serves Chula Vista, as well as other SDG&E underground electric, gas, fuel and related infrastructure.

In addition to SDG&E’s support for the Bayfront project, we are obligated to balance our equally important responsibilities to protect SDG&E’s facilities, both current and future configurations, on behalf of our ratepayers, and to insist upon safety and compatibility of the facilities to be constructed at or near SDG&E’s facilities. Our ability to protect SDG&E’s facilities requires that these protections be provided for in the easement rights we are being asked to grant to the City. Both SDG&E and City staff have worked tirelessly to this end, and together we have made significant progress toward defining the easement rights and terms to be acquired to assure that the City’s uses are compatible with SDG&E’s critical facilities in this area. However, we do not yet have agreement regarding all critical terms that are needed to assure compatibility, and the Resolution of Necessity package does not contain necessary details, which is why SDG&E, for procedural reasons, must submit this objection so that we do not waive any of our rights to protect this important utility corridor. We will continue to work with the City toward mutually agreeable easement terms to assure compatibility of all public uses in the areas, but until we have final easement documents to which we both agree, SDG&E must respectfully oppose the adoption of Resolution 19-0512 and state our objections for the record to preserve our rights as follows:

1. **FAILURE TO SHOW THE CITY’S PROPOSED USE IS COMPATIBLE WITH SDG&E’S CURRENT AND EXPECTED USE:** The City’s proposed use (due in part to failure to define or limit said use with actual easement documents) is not compatible with SDGE’s current and future uses. SDG&E owns a critical utility corridor in this location with some of the highest voltage transmission facilities under its control. CCP Section 1240.510 sets forth the standard the City must meet and reference in adopting a

Resolution of Necessity. It requires the City must find that the City's proposed use does not interfere with SDG&E's current and "reasonably expected uses to exist in the future..." The City cannot exercise reasonable discretion in making such a finding on the record before it for the following reasons:

- a. City staff and SDG&E staff have met on several occasions to discuss potential conflicts between the intended construction and uses and SDG&E's existing facilities. This process is still under way and plans continue to be reviewed and revised. Until this process is complete, the City is unable to make an informed determination that its proposed uses are compatible with SDG&E's use of this corridor.
- b. The City's eminent domain offer did not contain proposed easement documents that delineated the rights of the City with regard to the easements it seeks. There were no easement documents that define the rights the City intends to take in the easement areas or the construction materials or methods to be employed. SDG&E prepared easements that were provided to the City on November 11, 2019 for review, and today at noon received the City's first substantial comments to the easement draft. SDG&E has not had the opportunity to begin to review the City's proposals but will turn its focus back to the easements following this meeting. However, without agreement on construction requirements and other critical easement terms, there is no way for SDG&E, much less the City, to conclude that such rights and use by the City are compatible with this critical utility corridor.
- c. SDG&E has submitted to the California ISO a request for permission to add a new 230kV line into this utility corridor. As a result, there is a clear and present expected use for this corridor. For SDG&E to add such additional facilities, it needs to provide for certain rights in the easement to allow for construction of the additional line and circuits. As proposed, the take is not clearly defined and will certainly interfere with such future use. It is still very unclear whether the rights the City intends to condemn will allow SDG&E to relocate, close or modify the trail or other improvements to allow SDG&E to utilize its utility corridor. Any rights the City acquires in the subject corridor will need to be subject to SDG&E's right to modify or relocate facilities to allow for full use of the corridor.
- d. SDG&E is still in the process of reviewing and commenting on construction and other documents to show what will be built in the City's proposed easements and how such materials and construction will impact this critical utility corridor.
- e. The City proposes in the Resolution certain unspecified rights of assignment and franchise application for which SDG&E is unable to determine the impact on its facilities and existing rights and/or does not believe are compatible with its utility use as charged by the California Public Utility Commission.

2. **FAILURE TO COMPLY WITH LEGAL REQUIREMENTS:** The proposed Resolution of Necessity does not comply with the legal requirements to clearly define the property rights to be taken and does not present an adequate appraisal and offer/negotiation to acquire same for the following reasons:

- a. The latest Offer dated October 14, 2019, from the City to SDG&E contains references to the rights the City seeks that are not consistent with the proposed easements described in the Resolution. The Offer and Summary Appraisal and Basis of Just Compensation reference a recreational trail and bike path, but the Resolution does not propose such easement. This inconsistency is confusing and creates uncertainty about the rights the City is actually seeking in this action. Further, SDG&E does not believe that a bike path would be compatible with its utility use in this corridor because of the critical nature of this corridor.
3. **THE CITY IS OBLIGATED TO PASS THIS RESOLUTION IN A TIME FRAME WHICH MAKES IT NOT POSSIBLE TO ADEQUATELY EXERCISE ITS DISCRETION IN THIS MATTER.** SDG&E is informed and believes that contractual obligations of the City do not enable it to fully and adequately evaluate the City's needed rights and right to acquire same.

We reiterate that SDG&E absolutely recognizes the benefits and supports this Project, and we will continue to work hard with City staff to make sure the rights to be acquired by the City are defined in a way to make sure the City's proposed uses are compatible with SDGE's current and future public use of this corridor.