

ATTACHMENT 3

RESOLUTION NO. 200-378

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AUTHORIZING THE APPROPRIATION OF ADDITIONAL FUNDS IN THE AMOUNT OF \$800,000 FROM THE TRUNK SEWER CAPITAL RESERVE FUNDS TO PAY FOR CONSTRUCTION OF TELEGRAPH CANYON TRUNK SEWER IMPROVEMENTS

WHEREAS, funds for the construction of the Telegraph Canyon Trunk Sewer system were previously budgeted in the Fiscal Year 2000/2001 Capital Improvement Program (CIP) budget process and will be financed utilizing a combination of two funding sources; the Telegraph Canyon Gravity Basin DIF and the Trunk Sewer Capital Reserve Funds; and

WHEREAS, the Telegraph Canyon Gravity Basin Development Impact Fee (DIF) Funds is derived from developers that have paid into the DIF established to fund these improvements and the current balance is approximately \$1,000,000, which is insufficient to completely fund the required improvements to install approximately 7,250 lineal feet of PVC pipe within the Telegraph Canyon Trunk Sewer system which will cost \$3,200,000; and

WHEREAS, the City also derives revenue from new developments in the form of sewer capacity fees that are paid into the Trunk Sewer Capital Reserve Fund which can be used to pay for the costs of improving the capacity of the City's sewer infrastructure pursuant to Section 3.14.010 of the City's Municipal Code; and

WHEREAS, since the Telegraph Canyon Trunk Sewer is currently the only fully operational trunk sewer line serving the developments in the eastern territories, in addition to some of the built-out areas in the western portion of the City, this infrastructure is crucial for the continued growth of the City and the City's ability to support existing and new development; and

WHEREAS, it was for this reason that the City Council previously authorized the appropriation of additional funds in the amount of \$1,400,000 from the unappropriated balance of the Trunk Sewer Capital Reserve Fund into the project account during the Capital Improvement Program budget review process when the initial project estimates based on the preliminary project plans clearly showed that the DIF would be unable to completely fund the construction of the required improvements; and

WHEREAS, since the budgeted funds are insufficient to fund the construction of the required improvements, staff is recommending that Council authorize additional appropriation of \$800,000 from the unappropriated balance of the Trunk Sewer Capital Reserve Funds to allow the construction of the Telegraph Canyon Trunk Sewer improvements by The EastLake Company to proceed; and

WHEREAS, under the DIF reimbursement process, The EastLake Company will advance all the necessary funds to design and construct the project and will be reimbursed through the DIF in accordance with the provisions of Ordinance No. 2533; and

WHEREAS, approval of this staff recommendation will authorize the appropriation of the required funds and authorize The EastLake Company to construct the improvements and be reimbursed from the project account.

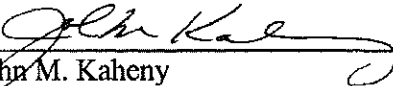
NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Chula Vista does hereby authorize the appropriation of additional funds in the amount of \$800,000 from the Trunk Sewer Capital Reserve Fund to the project account for Telegraph Canyon Trunk Sewer to pay for the construction of Telegraph Canyon Trunk Sewer improvements.

Presented by

Approved as to form by




John P. Lippitt
Public Works Director



John M. Kaheny
City Attorney

PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this 13th day of November, 2001, by the following vote:

AYES:	Councilmembers:	Davis, Padilla, Rindone, Salas and Horton
NAYS:	Councilmembers:	None
ABSENT:	Councilmembers:	None



Shirley Horton, Mayor

ATTEST:



Susan Bigelow, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)
CITY OF CHULA VISTA)

I, Susan Bigelow, City Clerk of Chula Vista, California, do hereby certify that the foregoing Resolution No. 2001-378 was duly passed, approved, and adopted by the City Council at a regular meeting of the Chula Vista City Council held on the 13th day of November, 2001.

Executed this 13th day of November, 2001.



Susan Bigelow, City Clerk