RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING AN AGREEMENT BETWEEN THE CITY OF CHULA VISTA, SAN DIEGO COUNTY SANITATION DISTRICT, AND THE COUNTY OF SAN DIEGO FOR RESERVING WASTEWATER TRANSPORTATION CAPACITY RIGHTS IN THE SALT CREEK INTERCEPTOR SEWER

WHEREAS, City owns, operates and maintains the Salt Creek Sewer Interceptor System ("City System") for the purpose of collecting and transporting sewage from properties located in the Otay Basin to the City of San Diego's Metropolitan Sewerage System ("Metro System") for treatment and disposal; and

WHEREAS, City has within its City System a primary trunk sewer known as the Salt Creek Interceptor ("Interceptor Sewer"); and

WHEREAS, the Interceptor Sewer is an approximately 13.25 mile segment located within the Otay Basin that runs from the intersection of Proctor Valley Road and Hunte Parkway in the City of Chula Vista, to a point of connection with the Metro System located near the junction of Main Street and Interstate 5; and

WHEREAS, in October 1993, the City and County jointly adopted the Otay Ranch General Development Plan/Subregional Plan ("GDP/SRP") which provided for the development of Otay Ranch as a series of village and planning areas; and

WHEREAS, Otay Ranch Villages 13 and 14, and Planning Areas 16, 17, and 19 ("Villages") as identified in the GDP/SRP are located in portions of the unincorporated County to the east of City's boundaries; and

WHEREAS, the City and District are parties to the "Regional Wastewater Disposal Agreement between the City of San Diego and the Participating Agencies in the Metropolitan Sewerage System" filed on May 18, 1998 as Document No. 00-18517 with the City Clerk of the City of San Diego (hereinafter "Regional Wastewater Disposal Agreement"); and

WHEREAS, in accordance with the Regional Wastewater Disposal Agreement, the City and District have the right to discharge wastewater up to established limits into the Metro System, hereinafter referred to as "Metro Capacity Rights"; and .

WHEREAS, the City and District agreed that: 1) all sewage originating in the City or from territory within the City's sphere of influence which is ultimately discharged into the Metro System through the Interceptor Sewer shall be charged against the City's Metro Capacity Rights and that 2) all sewage discharged into the Interceptor Sewer from territory served by the District shall be charged against District's Metro Capacity Resolution No. Page 2

Rights; and

WHEREAS, the San Diego County Sanitation District (District) and the County of San Diego (County) wishes to enter into this agreement with the City to provide for the transportation of sewage from the Otay Ranch Villages to the Metro System using the Interceptor Sewer; and

WHEREAS, the City of Chula Vista, District, and the County have negotiated an agreement to provide the District with the right to discharge flows into the Interceptor Sewer up to 870,000 gallons per day. The City may grant the District additional capacity, up to 1,000,000 gallons per day, provided, impacted facilities are improved by District in a manner that supplies the needed capacity to the satisfaction of the City; and

WHEREAS, the agreement is limited to 15 years, the lease should automatically be extended upon written notice from the City, such that this total Agreement term is coterminous with the Metro Agreement.

WHEREAS, the District will also be responsible for Capital Improvement Project (CIP) costs which are separate from City of San Diego Municipal Transportation Charge and Interceptor Sewer Transportation Charge; and

WHEREAS, City and District are obligated to pay for capital improvement projects for the Interceptor Sewer that are needed to maintain existing capacity requirements or to provide new capacity; and

WHEREAS, the decision whether or not to construct a capital improvement project shall be at the sole discretion of City; and

WHEREAS, payment for the transportation capacity shall be paid directly to the City by the Developers; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it approves the Agreement between the City of Chula Vista, the District, and the County for purchasing Transportation Capacity Rights into the interceptor Sewer, in the form presented, with such minor modifications as may be required or approved by the City Attorney and authorizes and directs the City Manager to execute said Agreement.

Presented by

Approved as to form by

Richard A. Hopkins

Glen R. Googins