



City of Chula Vista

Staff Report

File#: 15-0131, **Item#:** 9.

CONSIDERATION OF GRANTING EASEMENTS FOR WELL SITES AND APPURTENANCES TO SWEETWATER AUTHORITY

- A. RESOLUTION NO. 2015-090 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA GRANTING EASEMENTS FOR WELL SITES AND APPURTENANCES TO SWEETWATER AUTHORITY AS NECESSARY FOR THE EXPANSION OF THE RICHARD A. REYNOLDS DESALINATION FACILITY
- B. RESOLUTION NO. 2015-091 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA GRANTING AN EASEMENT FOR ELECTRICAL AND COMMUNICATIONS FACILITIES NECESSARY FOR THE OPERATION OF A SWEETWATER AUTHORITY WELL AT FRIENDSHIP PARK

RECOMMENDED ACTION

Council adopt the resolutions.

SUMMARY

The Sweetwater Authority (Authority) is proposing to expand the Richard A. Reynolds Desalination Facility (Desal Facility). When complete this proposed expansion will add five million gallons per day of production capacity to the existing facility. In order to complete this expansion, the Authority will need to drill five new wells and construct new pipelines to transport the brackish well water to the facility. They have secured sites for the first three wells and are offering to purchase the remaining two easements from the City.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the proposed project was adequately covered in the previously adopted Richard Reynolds Brackish Groundwater Desalination Facility - Phase II Expansion Final Environmental Impact Report (FEIR) (SCH No. 2007101055). Thus, no further environmental review or documentation is necessary.

BOARD/COMMISSION RECOMMENDATION

None

DISCUSSION

The Sweetwater Authority (Authority) proposed expansion of the Richard A. Reynolds Desalination Facility (Desal Facility) will add five million gallons per day (MGD) of production capacity to the

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existing facility or an annual increase of 5,200 acre-feet of production, for a total of 8,800 acre-feet per year. The estimated cost of the Desal Facility Expansion Project is approximately \$40 million and construction will take two years. The project consists of constructing five (5) new municipal wells for production of brackish groundwater from the San Diego Formation (SDF) in the City of Chula Vista, 14,000 feet of conveyance pipeline from the wells to the Desal Facility, and additional equipment at the Desal Facility. A Map showing the location of the new well sites and pipelines is attached to this report as Exhibit "A".

In order to complete the project the Authority must secure five well sites, all of which are located in the City of Chula Vista. Two wells will be constructed on property that the Authority recently purchased. One of the remaining wells will be constructed on an easement recently secured on property owned by a church. The remaining two well sites are proposed to be located on easements purchased from the City of Chula Vista. These two well sites are located in City parks; one at Friendship Park and one at Eucalyptus Park. The proposed well locations within the parks were determined after lengthy analysis by the Authority and with significant input from City staff and community groups.

The two City sites have been appraised by an independent fee appraiser paid for by the Authority and offers to purchase have been made to the City at the appraised amounts. Staff has reviewed the appraisals and believes that the Offers are appropriate. The amounts offered by the Authority are as follows:

Friendship Park Site	\$103,000
Eucalyptus Park Site	<u>\$ 57,400</u>
Total	\$160,400

The valuation of the site at Friendship Park is higher due to a larger easement and additional easements for pipelines. These were necessary to locate this well in the slope of the parking lot on the north side the Civic Library, thereby, minimizing the visual impact to the citizens using Friendship Park. The well site at Eucalyptus Park will be incorporated into the proposed dog park on the corner of 5th Avenue and "C" Street.

The Council's approval of the purchase of these last two (2) well sites is considered by the Authority to be critical to the success of the Desal Facility Expansion project.

Should Council approved this sale, it will be necessary to grant a new easement to San Diego Gas and Electric to provide electrical and communications service to the new well at Friendship Park. This will be an underground service.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council and has found a property-related conflict of interest exists, in that Council Member McCann has real property holdings within 500 feet of the boundaries of the property which is the subject of this action. Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

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LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The sale of these two easements helps ensure the availability of water in the future from a source that is locally controlled which supports strong and secure neighborhoods.

CURRENT YEAR FISCAL IMPACT

The sale of these two easements will result in \$160,400 in unanticipated revenue to the General Fund. These unanticipated revenues will help to partially mitigate the projected impact to the General Fund's operating reserves as a result of the recent appropriation of \$2.1 million from reserves for the Telegraph Canyon Road Erosion Repair Project and the purchase of the Third Avenue property.

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact as a result of this action.

ATTACHMENTS

1. Agreement - Eucalyptus Park
2. Agreement - Friendship Park
3. SDG &E Deed