



City of Chula Vista

Staff Report

File#: 16-0253, **Item#:** 6

RESOLUTION NO. 2016-113 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING AN AGREEMENT BETWEEN THE CITY OF CHULA VISTA AND SAN DIEGO COUNTY SANITATION DISTRICT WHICH SHALL EXTEND THE DURATION OF THE CITY'S WASTEWATER TRANSPORTATION CAPACITY RIGHTS IN THE SPRING VALLEY OUTFALL SEWERAGE SYSTEM

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

This Agreement is entered into between the San Diego County Sanitation District ("District"), an independent sewer district formed and operating under the County Sanitation District Act, Health & Safety Code section 4700, *et seq.*, and the City of Chula Vista, a municipal corporation ("City"). This agreement will set forward conditions for all sewer facilities shared by the City and the District. In addition, this Agreement will supersede agreements adopted by City Council with the District including Church of the Good Shepherd sewer agreement, and Frisbie sewer line agreement. This agreement will retain the same cooperative spirit of the previous agreements and will set limits in relation to sewer transportation charges and capacity rights not to exceed an equitable allocation for the maintenance, operation, and capital replacement costs for the Spring Valley Outfall Sewerage System (SVOSS).

ENVIRONMENTAL REVIEW

Environmental Notice

The Project qualifies for a Class 1 Categorical Exemption pursuant to Section 15301 (Existing Facilities) of the California Environmental Quality Act State Guidelines.

Environmental Determination

The Director of Development Services has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project qualifies for a Class 1 Categorical Exemption pursuant to Section 15301 (Existing Facilities) of the State CEQA Guidelines. Thus, no further environmental review is required.

BOARD/COMMISSION RECOMMENDATION

Not applicable

DISCUSSION

By virtue of a change of organization approved by the San Diego Local Agency Formation

Commission (LAFCO), effective July 1, 2010, the San Diego County Sanitation District ("District") is the successor agency to the Spring Valley Sanitation District ("Spring Valley"). In accordance with the terms and conditions of the LAFCO approved change of organization and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, California Government Code section 56000, et seq., the District took ownership of all property formerly owned by Spring Valley and is the successor in interest of Spring Valley to all contracts to which Spring Valley was a party.

The District owns, operates and maintains the SVOSS for the purpose of collecting and transporting sewage from the District and certain other municipalities and districts (including portions of the cities of Lemon Grove, National City, Chula Vista, San Diego, La Mesa, and the Rancho San Diego community) to the City of San Diego's Metropolitan Sewerage System ("Metro System") for treatment and disposal. The SVOSS includes the Spring Valley Outfall Sewer (Outfall Sewer), as well as several other upstream trunk sewers. The outfall sewer is a segment approximately 8.7 miles long located within the Sweetwater River Basin that runs from the intersection of Jamacha Boulevard and Sweetwater Road in Spring Valley, to a point of connection with the Metropolitan Sewerage System located near the junction of Interstate 5 and State Route 54.

The District constructed portions of the SVOSS with the proceeds of revenue bonds issued pursuant to Chapter 5, Part 3, Division 5 (Sections 4950, et seq.) of the Health & Safety Code of the State of California. In accordance with this law, the District adopted Ordinance Nos. 5 and 6 on May 15, 1962. In accordance with Section 51 of Ordinance No. 6 and Covenant No. 8 of Section 20 of Ordinance No. 5 and Health & Safety Code section 5060, the District may lease capacity rights in the SVOSS for a term of up to 15 years as long as there is sufficient capacity and the lease will not impair the usefulness of the SVOSS.

The City owns, operates and maintains portions of a sewerage system within the Sweetwater Basin for the purpose of collecting and transporting sewage from the northerly portions of the City and certain other districts to the Metro System via SVOSS. The City of Chula Vista has been leasing transportation capacity in the SVOSS since May 9, 1964. The most recent lease agreement entitled "Agreement between the City of Chula Vista and the Spring Valley Sanitation District for the Transportation of Wastewater in the Spring Valley Joint System" dated May 20, 1997, expired on June 30, 2013 ("Lease Agreement"). District finds that City may again lease capacity rights in the SVOSS without impairing its usefulness.

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 "Regional Wastewater Disposal Agreement"). 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". 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 SVOSS shall be charged against the City's Metro Capacity Rights and that 2) all sewage discharged into the SVOSS from territory served by the District shall be charged against District's Metro Capacity Rights.

It is recognized that there exist certain additional agreements between the parties hereto related to the transportation of sewage that ultimately flows through the SVOSS. These agreements include

the following:

1. "Agreement between the City of Chula Vista and Spring Valley Sanitation District for the Connection of City's Proctor Valley Road Sewer to District's Frisbie Trunk" dated July 20, 1999.

This agreement was formed because the City conveys flows with no sewer capacity limitation from incorporated City properties to the District's Frisbie Trunk line where it shares capacity for about 1.8 miles in a 15" pipe as depicted in Exhibit A of Attachment No.1.

2. "Agreement between the City of Chula Vista and Spring Valley Sanitation District for a new 8" Connection from the Church of the Good Shepherd to Chula Vista's Bonita Road Sewer and Recorded Flow Adjustment" dated March 24, 2009.

This agreement was formed because the City sewer line (10" diameter and 333' long) conveys sewer flow from the Church of the Good Shepherd (which is located in an unincorporated portion of the County of San Diego) to the SVOSS. District shall be allowed to continue to transport flows through the City sewer line to the SVOSS as depicted in Exhibit B of Attachment No. 2; provided, the flows do not exceed 2,120 gallons per day.

The "Sewage Transportation Agreement for Spring Valley Outfall Sewerage System" (Attachment No. 3) is between the District and the City. This agreement overrides, supersedes and replaces both of the existing agreements described above. As intended in the original agreements, this new agreement maintains the capacity transportation rights requirement of proportional cost sharing in Capital Improvement Projects (CIP's) and restrictions on flow characteristic costs for each agency.

The capacity limit set forth by the this Agreement for the agency discharging into the SVOSS (8.7 miles of 39" RCP Pipe) limit the City's Tributary to discharge peak flow into the SVOSS to 17.64 cubic feet per second; Church of the Good Shepherd is limited to discharging 2,120 gallons per day of sewer into the 330' long 10" diameter pipe of the City sewer trunk; and City has no limit for discharging sewer into the 1.8 mile long, 15" diameter Frisbie sewer trunk. City and District shall not allow flows into the SVOSS that exceed the capacity limit.

The agency with the jurisdictional right of the sewer line in question shall make the final determination as to whether flows that exceed the capacity limit can be received by the SVOSS and whether any improvements or other actions are needed prior to authorizing execution of an amendment to this agreement allowing the additional flow.

Each sewer facility included in the agreement shall be maintained by its jurisdictional agency in good working order in accordance with sound engineering practices. Keeping the sewer facilities in good working order requires routine cleaning and inspection; minor repairs, replacements, and reconstruction; as well as unanticipated minor emergency work. These District activities are considered Operational and Maintenance (O&M) expenses shall be included in the Transportation Charge.

Transportation charges are used to proportionately allocate the O&M and associated administration and overhead charges to those using the mentioned line. The transportation charge shall be equal to the unit transportation rate charged by the City of San Diego to those signatories of the Regional Wastewater Disposal Agreement that transport sewage through the City of San Diego Municipal Sewerage System. At such times that the City of San Diego adjusts the unit transportation rate, the rate under this agreement shall be adjusted automatically, with no amendment to this agreement or action of the parties hereto, such that it remains equal to that rate charged by the City of San Diego.

Each agency will also be responsible for Capital Improvement Project (CIP) costs which are separate and distinct from the Transportation Charges. City and District are obligated to pay for capital improvement projects for sewer lines that are needed to maintain existing capacity requirements or to provide new capacity. The decision whether or not to construct a capital improvement project shall be at the sole discretion of the jurisdictional agency.

The jurisdictional agency will charge the other agency for its proportionate share of CIP costs based on the agency's percentage of flow in the particular "segment" of agency sewer pipe being improved. The costs associated with any improvements for additional capacity to accommodate growth will only be charged to that agency requiring the additional capacity.

The agreement is limited to 15 years. The lease should automatically be extended upon written notice from the District, such that this total Agreement term is coterminous with the Regional Wastewater Disposal Agreement.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 500 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(11), for purposes of the Political Reform Act (Cal. Gov't Code §87100, et seq.).

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.

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. This project supports the City's Strategic Plan goals. The Economic Vitality is supported by generating new property taxes. The Healthy Community is supported by walkable community design. The Strong and Secure Neighborhoods goal is supported by sustainable infrastructure as detailed in the Otay Ranch Village 13 SPA plan.

CURRENT YEAR FISCAL IMPACT

Approval of the Resolution will result in no current impact to the Sewer Fund.

ONGOING FISCAL IMPACT

The City shall pay the District a proportionate share of operation, maintenance and future capital replacement costs of the SVOSS based on the amount of sewage discharged into the SVOSS from

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the City's connections to the total amount of sewage discharged from SVOSS into the Metro at the time when said capital replacement are needed.

ATTACHMENTS

Attachment No. 1: Frisbie Trunk Sewer Agreement

Attachment No. 2: Church of the Good Shepherd Sewer Agreement

Attachment No. 3: Sewage Transportation Agreement for Spring Valley Outfall Sewerage System