

(R-92-361)

RESOLUTION NUMBER R- 278648

ADOPTED ON SEP 16 1991

WHEREAS, the City Council (the "City Council") of the City of San Diego (the "City"), is duly organized and exists pursuant to the Charter of the City;

WHEREAS, pursuant to its budget for Fiscal Year 1991-1992, the City intends to construct, replace and improve its wastewater system, as more fully described in Exhibit A attached hereto (the "Project");

WHEREAS, the City has requested the Public Facilities Financing Authority of the City of San Diego (the "Authority") to issue and sell taxable or tax-exempt indebtedness for the purpose of financing the Project, when so requested by the City upon such terms and conditions as may then be agreed upon by the City and the Authority;

WHEREAS, the City expects to pay certain capital expenditures in connection with the Project prior to the Authority's issuance of taxable or tax-exempt indebtedness to be used to finance such expenditures;

WHEREAS, the Authority is authorized to incur or issue debt obligations to finance costs of the Project;

WHEREAS, the Authority anticipates it will issue debt obligations for the purpose of financing as much as 4.13 billion dollars of the costs of the Project on a long-term basis;

WHEREAS, section 1.103-17 of the proposed Treasury

Regulations requires the City to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a taxable or tax-exempt borrowing; and

WHEREAS, the City wishes to declare its official intent to use proceeds of taxable or tax-exempt indebtedness issued by the Authority to reimburse Project expenditures made by the City and to finance Project costs on a long-term basis with the proceeds of such indebtedness; NOW, THEREFORE,

BE IT RESOLVED, that the City Council finds and determines that the foregoing recitals are true and correct.

BE IT FURTHER RESOLVED, that this Resolution is adopted by the City Council solely for purposes of establishing compliance with the requirements of section 1.103-17 of the proposed Treasury Regulations that were published on April 25, 1991. Unless otherwise defined, terms used herein shall have the meaning set forth in the Internal Revenue Code of 1986 and in section 1.103-17 of the proposed Treasury Regulations.

BE IT FURTHER RESOLVED, that the City Council expects that the City will pay certain capital expenditures in connection with the Project prior to the Authority's issuance of taxable or tax-exempt indebtedness for the Project. The reimbursement of such aggregate expenditures is consistent with the City's previously established budgetary and financial circumstances. As of the date hereof, the City Council reasonably expects that such Project expenditures shall be paid from the Sewer Revenue Fund. No portion of the Sewer Revenue Fund or any other fund of the City has been heretofore budgeted to pay for such Project

expenditures other than advances in anticipation of taxable or tax-exempt financing. The City Council does not expect that moneys in the Sewer Revenue Fund temporarily used to pay such Project expenditures will be permanently available to finance such expenditures. Other than proceeds of taxable or tax-exempt indebtedness to be issued by the Authority to pay for such Project expenditures, there are no funds or sources of moneys that have been, or reasonably are expected to be allocated, reserved, or otherwise made available on a long-term basis pursuant to the City's budget to pay such Project expenditures.

BE IT FURTHER RESOLVED, that project expenditures that are to be reimbursed to the City shall not have been paid from proceeds of any other tax-exempt indebtedness.

BE IT FURTHER RESOLVED, that the City Council hereby declares the City's official intent to use proceeds of taxable or tax-exempt indebtedness issued by the Authority to reimburse itself for such Project expenditures. The City Council reasonably expects that such indebtedness will be secured by and payable from operating revenues of the wastewater system.

BE IT FURTHER RESOLVED, that this Resolution shall be continuously available for inspection by the general public during normal business hours at the offices of the City, located at 202 "C" Street, San Diego, California 92101, commencing on September 18, 1991.

BE IT FURTHER RESOLVED, that this resolution shall become effective upon the date of its adoption.

APPROVED: JOHN W. WITT, City Attorney

By Marguerite S. Strand
Marguerite S. Strand
Deputy City Attorney

MSS:skh
09/03/91
Or. Dept: C. Wtr.
R-92-361
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EXHIBIT A

1. Description of the Obligations:

\$450,000,000 Sewer Revenue Bonds of the Public Facilities Financing Authority of the City of San Diego or Installment Purchase Obligations of the City of San Diego.

2. Description of the Project:

The Clean Water Program capital improvement project consists of a secondary treatment system; a water reclamation system; two additional ocean outfalls; a water reclamation system; two additional ocean outfalls; a sludge management system; two major water reclamation transmission pipelines; wastewater and sludge transportation pipelines; and additional pump stations. (See attachment for a detailed description of the Project.)

3. Costs of the Project:

\$4.13 billion (approximately).

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DESCRIPTION OF THE PROJECT

Secondary System

The recommended secondary treatment system consists of two wastewater treatment plants, one in Point Loma and one in the South Bay, and associated pipelines and pump stations. The two plants were evaluated together as a secondary system providing a combined secondary treatment capacity of 153 mgd for the year 2010 and 205 mgd for the year 2050. An ultimate capacity of 150 mgd at Point Loma and 55 mgd at South Bay is recommended. Maximizing flows for treatment and disposal at Point Loma was found to be most cost-effective due to the existing hydraulic capacity of the Point Loma treatment plant, existing pipelines, and the existing Point Loma outfall.

The upgrading and expansion of the Point Loma treatment plant would be implemented in two phases. Phase I would be constructed in two stages to accommodate wastewater flow during the construction period. The first stage involves construction of new primary sedimentation tanks and aeration tanks. Start-up of the new primary facilities in 1999 would provide a continuation of the existing level of treatment for 150 mgd of wastewater during Stage 2 construction. Stage 2 entails the conversion of existing plant facilities to secondary treatment. Phase 1 startup of the secondary facilities would be complete by 2003, with 112 mgd of secondary treatment capacity. By the year 2023, Phase 2 would be complete with an increase in plant capacity of 150 mgd.

Construction of the South Bay treatment plant to its ultimate capacity of 55 mgd would be implemented in two phases. Phase 1 construction of 41 mgd would be completed in 1998 and Phase 2 in 2018. The International Boundary and Water Commission (IBWC) is also planning to use a portion of the South Bay site to provide a 100 mgd secondary treatment plant to treat wastewater from Tijuana. The layout of the South Bay secondary treatment facilities was coordinated with the proposed IBWC facilities and with the 14 mgd reclamation plant located on the same site.

Pipelines and Pump Stations

The pipelines and pump stations associated with the recommended secondary treatment system would include the existing pipelines between Pump Stations Nos. 1 and 2 and the Point Loma treatment plant. New pipelines and five new pump stations would be installed between Pump Station No. 1 and the South Bay treatment plant to transport flow southward. All pipelines and outfalls in the recommended plant would be constructed to meet capacity requirements for the year 2050.

Water Reclamation Systems

The recommended upstream water reclamation systems would consist of six water reclamation plants, two reclaimed water transmission pipelines, and pump stations. An air activated sludge treatment process, filtration, and chlorine disinfection are recommended for all the reclamation plants. The level of wastewater treatment is mandated by California law to ensure a reclaimed water quality that is safe for unrestricted body contact. The plants are sized to accommodate anticipated wastewater flows and to meet the maximum potential reuse demand in the area. North City will be the first reclamation plant to begin Phase 1 operations (1996). The other reclamation plants are expected to come on-line between 1997 and 1999. Phase 2 expansions for all of the reclamation plants are to be completed by 2010, except the North City plant which is not scheduled for expansion until 2017.

North City Water Reclamation Plant

The Phase 1 North City plant capacity is planned to be 30 mgd, followed by a 15 mgd expansion in Phase 2. Reclaimed water produced by the plant would flow through the Metro Main transmission pipeline to local reuse markets or, during periods of low demand, to disposal through a new ocean outfall off the San Diego River. Sludge would be thickened on site and pumped through a dedicated pipeline to the Northern Sludge Processing Facility for digestion and dewatering.

Santee Basin Water Reclamation Plant

The Santee Basin water reclamation plant site contains a usable area of about 43 acres, excluding the floodway on the western edge of the site.

A plant capacity of 16 mgd would be provided for the first phase of construction. In addition, Padre Dam Municipal Water District plans to upgrade its existing plant to produce an average of 2 mgd of reclaimed water. The total reclaimed water production from the Santee Basin site would be 18 mgd. Another 6 mgd capacity would be provided in Phase 2, for an ultimate capacity on the site of 24 mgd. Reclaimed water produced by the Santee Basin plant would be conveyed through the Metro Main transmission pipeline to local reuse markets or, during periods of low demand, to disposal through a new ocean outfall off the San Diego River. Raw sludge would be pumped to the Northern Sludge Processing facility through a dedicated pipeline for digestion and dewatering. Prior to construction of this pipeline, the sludge would be discharged to the sewer for conveyance to the Point Loma treatment plant for digestion.

Mission Valley and Mission Gorge Water Reclamation Plants

A Phase 1 capacity of 7.5 mgd and a Phase 2 capacity of 15 mgd are planned for each plant. Flows generated in the area that exceed these capacities would be conveyed downstream to the Point Loma plant for treatment and disposal. Reclaimed water produced by these two plants would be conveyed through the Metro Main transmission pipeline for distribution to local reuse markets or, during periods of low demand, for disposal through the new outfall off the San Diego River. Raw sludge would be pumped from the two plants to the Northern Sludge Processing Facility through a dedicated pipeline where it would be digested and dewatered.

Otay Valley Water Reclamation Plant

Similar to the other water reclamation plants, the capacity of the Otay Valley reclamation plant was planned to supply the maximum potential reuse demand with the projected wastewater flows from the tributary area. The Phase 1 capacity would be 6 mgd, followed by a 6 mgd expansion in Phase 2. Reclaimed water produced by the plant would be conveyed through the South Bay transmission pipeline to local reuse markets or, during periods of low demand, to disposal through a new ocean outfall in the South Bay near the international border. During Phase 1, sludge would be pumped through a dedicated pipeline to the trunk sewer for conveyance to the Point Loma treatment plant for digestion. By Phase 2, the dedicated sludge pipeline would be extended to the Southern Sludge Processing Facility.

South Bay Water Reclamation Plant

During Phase 1, the South Bay reclamation plant would be built to its ultimate capacity of 14 mgd; there would be no second phase. Reclaimed water produced by the plant would be conveyed through the South Bay transmission pipeline to local reuse markets or, during periods of low demand, to disposal through a new ocean outfall in the South Bay near the international border. The Southern Sludge Processing Facility would be located adjacent to the two South Bay plants. Sludge from both the South Bay plants would be digested and dewatered at the processing facility.

Conveyance System

Pipelines and pump stations for collection of raw wastewater and conveyance of reclaimed water, secondary effluent and sludge would be provided in corridors throughout the Metro System service area. The purpose of the proposed improvements is to convey raw wastewater to the proposed treatment plant sites, reclaimed water to reuse markets, secondary effluent to disposal points, and sludge from the plants to processing sites.

Reclaimed water effluent pipelines will convey excess water during wet weather to disposal through an ocean outfall. A separate reclaimed water distribution system will be built to deliver water to users' distribution systems. The user distribution system is not included in the Clean Water Program.

Discharge System

Recommended Discharge System

Deepwater ocean outfalls were found to be the most reliable, flexible, implementable, and least expensive discharge options. Two new ocean outfalls are recommended, in addition to the extended Point Loma outfall.

The recommended discharge system consists of three ocean outfalls. A new ocean outfall is proposed off the mouth of the San Diego River to discharge excess reclaimed water from the North City, Mission Valley, Mission Gorge and Santee Basin reclamation plants, and 10 mgd from the Poway reclamation plant during peak flow. The extended Point Loma outfall would discharge effluent from the Point Loma treatment plant. A new ocean outfall is proposed in the South Bay, to discharge the effluent from the South Bay treatment plants, the Otay Valley reclamation plant, and the IBWC plant. The costs of this outfall would be shared with the IBWC, based on the proportion of peak design flow that is contributed by each agency. Sharing the outfall will not only reduce costs, but also eliminate additional environmental impacts associated with constructing a second outfall in the same location.

Sludge Management

The recommended sludge system consists of sludge collection at each treatment plant, digestion at the Point Loma treatment plant, a Northern Sludge Processing Facility, a Southern Sludge Processing Facility, a processing facility at Southeast Otay Mesa, and a supplemental sludge drying operation on NA Miramar.

No sludge digestion will occur at the reclamation plants, thus minimizing nuisance to nearby residential areas. Sludge from these plants would be conveyed to the two regional processing facilities for digestion and further processing.

An Interim Sludge Management Plan (also referred to as the Fiesta Island Replacement Program) is under way. Its objective is to vacate the sludge drying operations at Fiesta Island by July 1994. One of the objectives of the Clean Water Program has been to use these initial facilities as much as possible in the long-term sludge management plan. Therefore, the Northern Sludge Processing Facility would be located on the site

chosen for the Fiesta Island Relocation Program. The preferred site for the interim plan is the northern portion of the site of the proposed North City reclamation plant. The Northern Sludge Processing Facility would require the addition of digesters and a pasteurization process to the facility. The Southern Sludge Processing Facility would be located adjacent to the South Bay treatment facility.

#119

Passed and adopted by the Council of The City of San Diego on..... SEP 16 1991
by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Roberts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
John Hartley	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Wes Pratt	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tom Behr	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Bruce Henderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Filner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Maureen O'Connor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

MAUREEN O'CONNOR
Mayor of The City of San Diego, California.

(Seal)

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

By *Linda Ferguson*, Deputy.

Office of the City Clerk, San Diego, California

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