

(R-92-1362)

RESOLUTION NUMBER R- 279615

ADOPTED ON MAR 23 1992

WHEREAS, the Clean Water Program Governance Advisory Group was established by Resolution Number R-274888 adopted December 12, 1989 to advise the Council of the City of San Diego concerning the appropriate entity for the management and organization needed to implement the Greater San Diego Clean Water Program, with due consideration to be given by the Advisory Group to the financial impacts of such recommendation; and

WHEREAS, the Advisory Group has recommended the implementation of a special act district to be called the San Diego Area Wastewater Management District, which recommendation has been approved by the following participating agencies in the Metropolitan Sewerage System: San Diego, Chula Vista, Coronado, Del Mar, Imperial Beach, La Mesa, National City, Poway, the County of San Diego, Lemon Grove Sanitation District, Padre Dam Municipal Water District and the Otay Water District as well as the San Diego County Water Authority; and

WHEREAS, the San Diego City Council authorized and empowered its City Manager on behalf of the City of San Diego, by Resolution Number R-277309, adopted February 4, 1991 to forward to the California State Legislature enabling legislation, Senate Bill 1225, providing for the formation of the San Diego Area Wastewater Management District to provide regional management of wastewater and its by-products; and

WHEREAS, a program of public improvements known as Alternative IVA, Phase I, to upgrade the Metropolitan Sewerage System to comply with the Clean Water Act, the State Ocean Plan, and the Coastal Commission requirements includes the following projects to be completed by the end of 2003:

- Clean Water Operations Network (COMNET)
- East Mission Bay Pipeline
- Fiesta Island Replacement Project
- Mission Valley Pipeline
- Mission Valley Raw Sludge Pipeline
- Mission Valley Water Reclamation Plant
- Mission Gorge Water Reclamation Plant
- North City Pipeline
- North City Treatment Plant
- North City Tunnel Connector
- Northern Sludge Processing Facility
- Otay Valley Pipelines
- Otay Valley Water Reclamation Plant
- Point Loma Outfall Extension
- Pomerado Water Reclamation Plant
- Poway Raw Sludge Pipelines
- San Diego River Outfall
- Santee Raw Sludge Pipeline
- Santee Reclaimed Water Pipeline
- Santee Water Reclamation Plant
- South Bay Secondary Treatment Plant
- South Bay Water Reclamation Plant
- Southern Secondary Treatment Plant Sewers
- Southern Sludge Processing Facility
- Southern Water Reclamation Sewers; and

WHEREAS, the predesign, design and construction costs of the Alternative IVA, Phase I projects total approximately \$2,529,000,000 excluding the Pomerado, Poway and Santee projects and financing costs.

WHEREAS, the City of San Diego is pursuing federal legislation to enable an application for a waiver to secondary treatment at the Point Loma Treatment Plant which may result in the cancellation of some of the Alternative IVA public improvements; and

WHEREAS, the creation of the San Diego Area Wastewater Management District will result in a stronger credit rating and lower borrowing costs than either the City of San Diego continuing to own, operate and borrow for the System, or the creation of a joint powers authority; and

WHEREAS, the Financial Advisor to the City of San Diego has advised that over the borrowing life of the program (a) when compared with using the City of San Diego as an issuer, the special act district may save up to five (5) basis points of interest (.05%) on identical financing options, possibly amounting to \$25 to \$50 million in interest savings on the borrowing program; (b) when compared with using a joint powers authority as issuer, the special act district may save up to 7.5 basis points of interest (.075%) on identical financing options, possibly amounting to \$37.5 to \$75 million in interest savings on the borrowing program; and (c) when compared with the financing option of Certificates of Participation (COP's), the only other financing option available to the City of San Diego when an electorate does not support a bond issue, the special act district may save up to twenty (20) basis points (.2%), possibly amounting to \$100 to \$200 million in additional costs; and

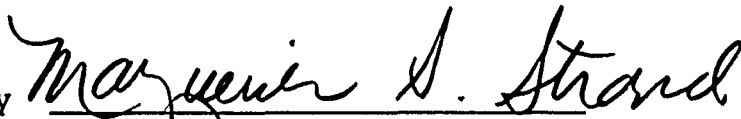
WHEREAS, the current operating agreements between the City of San Diego and the Metropolitan Sewerage System participating agencies do not provide the participating agencies with a meaningful method of voicing their opinions on System operations prior to System operating decisions being made; and

WHEREAS, the participating agencies strongly desire greater decision-making control over policies and procedures of the

Metropolitan Sewerage System; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that the passage and implementation of the document know as Senate Bill 1225 is in the best interest of the customers of the Metropolitan Sewerage System by creating a regional organization and governance structure for the Metropolitan Sewerage System to provide the best public service at least cost.

APPROVED: JOHN W. WITT, City Attorney

By 
Marguerite S. Strand
Deputy City Attorney

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03/10/92
Or.Dept:C.Wtr.
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Passed and adopted by the Council of The City of San Diego on MAR 23 1992
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 type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| John Hartley | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| George Stevens | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Tom Behr | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Valerie Stallings | <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 type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Mayor Maureen O'Connor | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

AUTHENTICATED BY:

(Seal)

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

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

By *Mary Cepeda* Deputy.

Office of the City Clerk, San Diego, California

Resolution Number *R* **279615** Adopted **MAR 23 1992**

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