EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE ISSUED:	March 21, 2011	
ATTENTION:	Natural Resources & Culture Committee Agenda of April 20, 2011	
ORIGINATING DEPARTMENT:	Public Utilities	
SUBJECT:	San Diego Intertie Feasibility Study	
COUNCIL DISTRICT(S):	Citywide	
STAFF CONTACT:	Marsi Steirer	(619) 533-4112 MS 906
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REQUESTED ACTION:
Support the City's participation in the San Diego Intertie Feasibility Study.

STAFF RECOMMENDATION:

- Authorize the Mayor, or his designee, to execute an Agreement with the United States Department of Interior, Bureau of Reclamation and Sweetwater Authority for the implementation of the San Diego Intertie Feasibility Study.
- Authorize the Mayor or his designee to make application to the State of California and to take all necessary actions to secure State grant funding (Proposition 50) for up to $782,244 for the San Diego Intertie Feasibility Study.
- Authorize the Comptroller to set up a new grant number, accept, appropriate and expend up to $782,244 in FY2012, FY13 and FY14 in Fund #710000 Water Utility Operating, if grant funding is secured.
- Approve the Memorandum of Understanding between the City of San Diego, Sweetwater Authority and the Bureau of Reclamation.
- Authorize the expenditure in an amount not to exceed $1,409,807 ($335,000 in FY 12, $774,000 in FY 13 and $300,807 in FY 14) from fund 700011 for the study. The spending is contingent upon approval of the FY12, FY13, and FY14 Appropriations Ordinances and the Comptroller first certifying funds are or will be available for expenditure.

EXECUTIVE SUMMARY:
The San Diego Intertie Feasibility Study is a proposed partnership between the City's Public Utilities Department (Department), the Sweetwater Authority and the US Bureau of Reclamation to explore the potential benefits of expanding conveyance capacity between three key reservoirs (San Vicente, Murray, and El Capitan) owned by the City of San Diego and two reservoirs (Loveland and Sweetwater) owned by the Sweetwater Authority. The pre-feasibility portion (Phase 1) of the analysis will examine the various intertie configurations in terms of feasibility, operational benefits and affordability. The analysis will take into consideration new and anticipated water supply operations within the San Diego region for both imported and local water supplies. The anticipated cost for the pre-feasibility analysis is $688,664, the expense of which will be shared by the Department, the USBR, and the Sweetwater Authority. Additionally, the Sweetwater Authority has secured $782,244 in state grant funds (from Proposition 50) to help offset the cost. The cost share of Phase 1 for each agency is $344,332 from the USBR, $171,500 from the City, $60,000 from the Sweetwater Authority and $112,832 from the State grant funding.

Based on the findings of the pre-feasibility study, the partners will proceed with a more in-depth feasibility study on the preferred alternative (Phase 2) if merited. The feasibility study is expected to commence in August 2012 to produce 30% design drawings and a construction cost estimate. The total cost for Phase 2 is $3,815,438. The anticipated share of the cost for each agency is: $1,907,719 from the USBR, $1,238,307 from the City, and the balance of $669,412 from State grant funding.

The cost share of the entire Study Project is based on 50% from the USBR and 50% from the remaining partners and grant funds. Federal funding of the project (up to 50%) was originally pursued by the Sweetwater Authority beginning in 2006 as part of its legislative program. The City's Intergovernmental Relations Department (IRD) incorporated legislative support of this project as part of its annual legislative program that is approved by Council. In 2009, authorizing federal legislation was enacted (S. 22 of the 111th Congress) allowing the Study to proceed. Federal funding of the project establishes the US Bureau of Reclamation as the lead agency for the project. USBR staff has successfully facilitated the scoping of the draft Memorandum of Understanding (MOU) among the project partners such that all federal, State and local requirements are met.

The Department intends to proceed with Phases 1 and 2 under this request and is petitioning the State to allow the Public Utilities Department to manage the $782,244 of grant funds that were awarded to the Sweetwater Authority in 2007 and will return to Council for Phase 3 (NEPA.CEQA), if the Project is determined to be feasible.

EQUAL OPPORTUNITY CONTRACTING:
The United States Bureau of Reclamation (USBOR) is a Government Agency, and as such, is exempt from submitting Work Force Reports. Refer to San Diego Municipal Code Section 22.2703(b).

FISCAL CONSIDERATIONS:
The total contract is not to exceed $1,409,807 ($335,000 FY12, and $774,000 FY13, and $300,807 in FY14). Funds are available in Cost Center 2000141411 Fund 700011.

PREVIOUS COUNCIL/COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:
N/A

KEY STAKEHOLDERS:
County Water Authority, City and County of San Diego residents, and Sweetwater Authority customers

4/10/11

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