DATE ISSUED: June 13, 2001 REPORT NO.: 01-112

ATTENTION: Honorable Mayor and City Council Docket of June 19, 2001

SUBJECT: South San Diego Pipeline No.2 - Reach A&B Project

SUMMARY

<u>Issue</u> - Should the City Council authorize a condemnation action to acquire the property rights required for the South San Diego Pipeline No. 2.- Reach A & B Project?

<u>Manager's Recommendation</u> - Authorize the condemnation action to obtain the necessary property rights.

Other Recommendations - None.

<u>Fiscal Impact</u> - The estimated cost of real estate, title, escrow and litigation is \$400,000. Funds are available from Water Revenue Fund 41500, CIP#73-249.0.

BACKGROUND

The City of San Diego Water Department's Guidelines and Standards require that each water service area have a second pipeline feed to ensure a safe and reliable water supply. The South San Diego/Otay Mesa area is currently fed by only one water transmission pipeline. The existing pipeline is aging and was built for a smaller service demand than presently exists. The proposed pipeline is needed to serve the existing and future community water needs. For overall capacity reasons, as well as maintaining redundancy in the City's water transmission systems, the proposed South San Diego's Pipeline No. 2 is sized to deliver ultimate required flows to the South San Diego Service Area.

The South San Diego Pipeline No. 2 project ("SSDP2") will provide the needed second water transmission pipeline feed to the South San Diego/Otay Mesa water service area. SSDP2 is divided into several phases or "reaches." The subject property acquisition involves "Reaches A & B" which requires acquisition of easements from five different property owners just North of the City of San Diego city limits all within undeveloped portions of the City of Chula Vista. The subject proposed easements are adjacent to the existing South San Diego Pipeline No.1.

The San Diego City Council approved expenditure of up to \$400,000 from Water Fund 41500, CIP No 73-249.0 for acquisition of property rights for the South San Diego Pipeline No. 2, Reach A & B on April 16, 2001. The Real Estate Assets Department has reached agreement with several of the property owners. A final offer for the necessary property rights has been made to the remaining property owners. The offers have not been accepted. Although negotiations will continue with the remaining owners, condemnation authorization is requested in order to expeditiously acquire the needed property rights.

Eminent Domain Law requires that any person subject to condemnation proceedings be given the opportunity to speak and be heard regarding the following questions to which the Council must itself address:

1. Does the public interest and necessity require the proposed project?

Yes. Currently, the water system for the entire South San Diego/Otay Mesa area is fed by one (1) City of San Diego water transmission pipeline (the 33-inch diameter South San Diego Pipeline No.1). The Water Department's Guidelines and Standards require that each water service area have a second feed. This is required to allow for pipeline shutdowns to perform operation and maintenance. A second feed is also needed to supply water to the service area in the event of a pipeline break.

2. <u>Is the proposed project planned or located in the manner that will be most compatible with the greatest public good and the least private injury?</u>

Yes. Several alternative alignments and concepts were evaluated at the 10% design level of the project. The three most preferred alternatives were evaluated in the Environmental Impact Report, LDR No. 98-0043, which was approved on January 19, 1999. The proposed alignment generally parallels the existing pipeline through a wider easement area, which creates less impact on the affected properties. The proposed project is the most environmentally preferred and serves the public's best interest.

3. Is the property sought to be acquired necessary for the proposed project?

Yes. There is an existing pipeline in existing easements on these properties. This project will effectively expand the existing easement area to allow construction of the second pipeline, resulting in less of an impact on properties as opposed to splitting the alignments in two easements in two separate locations. Acquiring easements in new areas would create more private injury, by effecting more property owners. Combining the pipelines in close proximity to each other will also allow for more effective maintenance and repair of facilities.

<u>ALTERNATIVE</u>

Do not authorize a condemnation action, and conduct further studies for the alignment of the needed pipeline. This alternative is not recommended because exhaustive alignment studies have been previously performed.

Respectfully submitted,

Submitted by: William T. Griffith Real Estate Assets Director

Approved: Bruce A. Herring Deputy City Manager