

DRAFT

SAN DIEGO UNIFIED PORT DISTRICT

ORDINANCE xxxx

**ORDINANCE AMENDING THE FY 2023 BUDGET
INCREASING THE EQUIPMENT OUTLAY AND
OTHER CAPITAL PROJECTS BY \$250,000 TO
PREPARE ENGINEERING ANALYSES FOR A
POTENTIAL ABANDONMENT BY SLURRY FILLING
OF THE FORMER SILVER GATE POWER PLANT
COOLING WATER TUNNELS, TO BE FUNDED
FROM A RECENT SETTLEMENT PAYMENT
PERTAINING TO THE TUNNELS FROM SAN DIEGO
GAS AND ELECTRIC COMPANY**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

WHEREAS, the Fiscal Year (FY) 2023 budget was prepared as an austere expenditure budget to reduce the use of reserves by minimizing the deficit; and

WHEREAS, expenditures were budgeted with the approach of minimally maintaining our services until revenue conditions improved or there was funding through government stimulus; and

WHEREAS, at the budget adoption Board of Port Commissioners (BPC) meeting, staff stated that budget amendments would be recommended as conditions changed or as expected stimulus was received; and

WHEREAS, the various expenditures recommended are the result of BPC approved expenditures after the budget was approved, changed conditions, new information, and the austere expenditure budget adopted, which had no contingency for additional items or needs; and

WHEREAS, District staff recommend amending the FY 2023 budget to increase the Equipment Outlay and Other Capital Projects by \$250,000 to prepare engineering analyses for the potential abandonment by slurry filling of underground tunnels located at 2205 East Belt Street in the City of San Diego; and

WHEREAS, funding for the engineering analyses may be linked to a recent \$13M settlement payment by SDG&E to the District that resolved the District's litigation against SDG&E pertaining to the tunnels; and

WHEREAS, staff recommends the BPC approves this budget amendment.

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NOW, THEREFORE, the Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

Section 1. The Fiscal Year 2023 Final Budget is hereby amended to adopt an ordinance increasing the FY 2023 Equipment Outlay and Other Capital Projects Budget in the amount of \$250,000 to prepare engineering analyses for a potential abandonment by slurry filling of the former Silver Gate Power Plant cooling water tunnels, to be funded from a recent settlement payment pertaining to the tunnels from SDG&E.

Section 2. This Ordinance shall take effect on the 31st day from its passage by the Board of Port Commissioners.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 13th day of September 2022, by the following vote: