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Department of Utilities
Office of the Director

CITY OF SACRAMENTO
CALIFORNIA

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April 9, 1999

WITHDRAWN
MAY 18 1999
BY THE CITY COUNCIL
OFFICE OF THE CITY CLERK

City Council
Sacramento, CA

Honorable Members in Session: :

**SUBJECT: WATER FORUM ACTION PLAN AND DRAFT ENVIRONMENTAL
IMPACT REPORT**

LOCATION AND COUNCIL DISTRICT: City-wide

RECOMMENDATION:

This report is for City Council information and to solicit Councilmember comments relative to the Water Forum Action Plan and Draft Environmental Impact Report.

CONTACT PERSONS: Jim Sequeira, Director of Utilities, 264-1407
Gary Reents, Engineering Services Division Manager, 264-1433

FOR COUNCIL MEETING OF: April 20, 1999

SUMMARY:

Since September of 1993, City staff has participated in the Sacramento Area Water Forum Process. This group of water purveyors, business leaders, environmentalists, citizen's groups and local governments have developed an Action Plan to refine the Water Forum Proposal into a Water Forum Agreement. A Draft Environmental Impact Report (EIR) for this proposal has also been prepared. Staff has reviewed these documents and present herein comments on them. Staff also solicits Councilmember comments.

COMMITTEE/COMMISSION ACTION: None

CONTINUED
FROM 04-20-99
TO 05-11-99



CITY OF SACRAMENTO
DEPARTMENT
OF UTILITIES

Making a Difference in Your Neighborhood

City Council
April 9, 1999
Water Forum Action Plan and Draft EIR

BACKGROUND INFORMATION

Most of the necessary background information for this report is contained in the *Water Forum Action Plan* Executive Summary previously provided to Councilmembers. The Water Forum has two co-equal objectives which are:

- Provide a reliable and safe water supply for the region's economic health and planned development through to the year 2030;
- and,
- Preserve the fishery, wildlife, recreational, and aesthetic values of the Lower American River.

The Water Forum Action Plan discusses seven integrated elements that are necessary to accomplish this. These elements are:

- Increased Surface Water Diversions
- Actions to Meet Customers' Needs While Reducing Diversion Impacts on the Lower American River in Drier Years
- An Improved Pattern of Fishery Flow Releases from Folsom Reservoir
- Lower American River Habitat Management Element, which also addresses recreation in the Lower American River
- Water Conservation Element
- Groundwater Management Element
- Water Forum Successor Effort

The Executive Summary also contains specific agreements for stakeholder organizations. Some of the key provisions in the City's specific Water Forum agreement are as follows:

- The City may expand its Fairbairn Water Treatment Plant (FWTP) capacity from the current 100 million gallons per day (MGD) to 200 MGD.
- The use of the existing and new capacity will be regulated by the amount of flow in the American River at the FWTP intake triggered by the Hodge Alameda Superior Court Decision.
- The City will expand the Sacramento River Water Treatment Plant (SRWTP) in order to provide alternative water treatment capacity when the new FWTP capacity cannot be used due to American River flow restrictions.
- The City will agree to conditions that place limits on dry year diversions at the FWTP to provide retail service to new areas and for wholesale and wheeling water service to other water purveyors.

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- The City will agree to support protection of the Lower American River by supporting an improved pattern of fishery flow releases from Folsom Reservoir and participating in a Lower American River Habitat Management Program.
- The City will agree to actively pursue a voluntary residential water meter program.
- The City will agree to implement a Water Forum Best Management Practices Water Conservation Program.
- The City will agree to participate in a Water Forum successor effort.

The City has reached agreement on the terms of the City's Purveyor Specific Agreement with the other stakeholders; however, additional negotiations are required between some stakeholders and other water purveyors before a Water Forum Agreement can be released. Additional negotiations may also be needed between all stakeholders to address some potential environmental impacts identified in the Water Forum environmental review and responsibility for mitigation measures. These additional negotiations may extend the length of time before a Water Forum memorandum of understanding can be executed.

In previous presentations to City Council, members have expressed concern over the overall cost associated with the Water Forum Agreement as well as equitable sharing of these costs.

FINANCIAL CONSIDERATIONS:

Although this report does not have any direct financial impact, the City's signing of a final Water Forum Agreement will result in a significant increase in expenditures from the Water Fund. The expected costs to the City associated with the elements discussed above are summarized as follows:

- The cost to expand the E.A. Fairbairn Water Treatment Plant is currently estimated to be approximately \$52 million. The cost to rehabilitate and expand the Sacramento River Water Treatment Plant, to provide reliable alternative treatment capacity when the increased capacity at the Fairbairn facility cannot be used due to Lower American River flow conditions, is approximately \$90 million.
- The City would commit to funding approximately \$125,000 annually for the Lower American River Habitat Management Plan.
- The cost for the City to support an improved pattern of fishery flow releases from Folsom Reservoir has not been determined at this time. However, it was previously estimated to be in the range of a \$100,000 to \$200,000 one-time-cost.
- The annual cost for a voluntary residential water meter program is expected to be \$250,000.
- The cost for the Water Forum Best Management Practices Water Conservation Program is expected to be an estimated \$1,500,000 annually at full implementation.

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- The City's current estimated annual cost share of the Successor Effort is approximately \$233,000.
- The City currently contributes \$61,000 annually for the administrative costs of The Sacramento North Area Groundwater Management Authority, which is a result of the Water Forum.
- The City also most recently contributes approximately \$431,000 annually to the Water Forum effort. This cost would sunset when the Water Forum Agreement goes into effect.

In summary, the estimated annual cost at full implementation (3-5 years) to comply with the Water Forum Agreement is estimated to be \$1,738,000. This would translate into an overall rate increase of 5.3%. This projected rate increase, to be ramped up over 3-5 years, does not include funding to rehabilitate and expand the water treatment plants. It is expected that the additional costs associated with the Water Forum agreement will be paid for by retail water sales. In addition, grant funding opportunities may be available particularly for water conservation efforts that might help off-set costs to customers.

ENVIRONMENTAL CONSIDERATIONS

The City and County of Sacramento are co-lead agencies who will be responsible for certifying the Draft EIR, which was circulated for public review. The public comment period closed on March 22, 1999.

Councilmembers have previously been provided with the executive summary of the Draft EIR. The Draft EIR shows that if diversions were increased without all of the beneficial elements of the Action Plan, impacts would be much worse. Increased water conservation, the Lower American River Habitat Management Element, alternative actions in drier years, and support for the improved pattern of fishery flow releases will all lessen impacts.

Even with all of these beneficial elements in the Action Plan, the Draft EIR identifies some remaining potential impacts that may occur, especially in drought years. These impacts include:

- Potential to reduce recreational opportunities in Folsom Reservoir
- Potential impacts to some species of fish in the American and Sacramento Rivers and the Bay-Delta
- Potential Sacramento River and Delta water quality effects
- Reduced water available for users outside our area-of-origin

The Draft EIR identifies potential mitigation measures to reduce some of these impacts to a less-than-significant level. Additional mitigation measures may be identified in response to comments received on the Draft EIR and/or further negotiations among the stakeholders.

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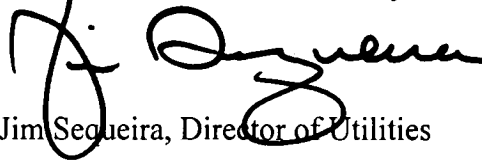
POLICY CONSIDERATIONS

This Water Forum Agreement is consistent with the City's policy of seeking a regional solution to water supply issues through formation of the City-County Office of Metropolitan Water Planning, and participating in the Water Forum process.

ESBD CONSIDERATIONS

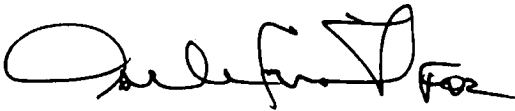
ESBD considerations are not applicable to this item as no services or purchases are being approved.

Respectfully submitted,



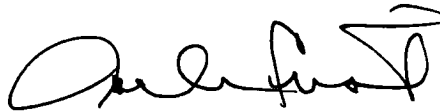
Jim Sequeira, Director of Utilities

APPROVED:



Robert P. Thomas, City Manager

RECOMMEND APPROVAL:



Jack Crist, Deputy City Manager

Sacramento Water Forum

- ▶ Began in 1993
- ▶ 41 participating groups/agencies
- ▶ Goals:
 - ▶ preservation of American River
 - ▶ safe and reliable water supplies to 2030

Elements of Water Forum Agreement

- ▶ Surface water diversion management
- ▶ Habitat mitigation for LAR
- ▶ Groundwater management
- ▶ Water conservation
- ▶ Successor effort

Agreement for Surface Water Proposed Management

- ▶ Applies to City's American River diversions
- ▶ Limits diversions during periods of low river flow and extremely dry years (Hodge Decision)
 - ▶ requires redundant water supply
- ▶ Limits wholesale to high river flow periods
- ▶ Requires ongoing environmental studies

Proposed Habitat Mitigation Agreement

- ▶ To help mitigate increased river diversions
- ▶ Partnership effort
 - ▶ SAFCA, CALFED, USBR, Fish & Game
 - ▶ Examples:
 - ▶ New river flow standards
 - ▶ Salmon spawning gravel replacement
 - ▶ Temperature control device at Folsom Dam

Proposed Agreement for Water Conservation

- ▶ Voluntary residential meter retrofit program
- ▶ Rebates for ULFs
- ▶ Increased conservation programs
 - ▶ indoor audits
 - ▶ commercial audits
 - ▶ public information
 - ▶ plumbing retrofits

Proposed Agreement for Groundwater Management

- ▶ Creation of North Area Management Plan
- ▶ Maintain long term yield
- ▶ Facilitate conjunctive use
- ▶ Coordinate area management efforts

Successor Effort

- ▶ A need to monitor agreement
- ▶ Remaining work
 - ▶ south area groundwater management
 - ▶ new American River flow standard
- ▶ Dispute resolution
- ▶ Coordination with other agencies

Water Forum Annual Costs

▶ Habitat mitigation	\$125,000
▶ Water Conservation	1,750,000
▶ Groundwater management	61,000
▶ Successor effort	233,000
▶ less current Forum costs	<u>- 431,000</u>
Annual	\$1,738,000

How Are We Going To Fund this Program ?

- ▶ Rate increases (equivalent to 1% annually over 5 years)
- ▶ State and Federal grants

Next Steps.....

- ▶ EIR/Action Plan Comments
- ▶ Finalize EIR
- ▶ Forum Agreement = MOU
- ▶ Implementation of Agreement Elements

4.5
A & B

Overheads

for

May 18, 1999

Afternoon

City Council

Budget Workshop

City of Sacramento

FY1999-00 Proposed Budget Fire Department, Economic Development, Regional Enterprises

May 18, 1999

Fire Department

- Page 69 of the Proposed Budget
- 2nd Largest General Fund Department \$52 million
- 538 Positions: 494 sworn, 44 civilian
- Primarily funded from General Fund tax proceeds, 20% offset by Fire Department revenues

Fire Department Programs

- Office of the Chief
 - Admin
 - Emergency Planning
- Fire Prevention
 - Prevention Education
 - Investigations
 - Code Enforcement
 - Weed Abatement
- Fire Operations
 - Suppression
 - Emergency Medical Response
 - Hazardous Material Response
 - Basic Life Support
- Communications
- Training

Fire Department Changes

- Adjusted for COLA and 1% adjustment, inflationary supply/vehicle costs, PERS savings (\$2.7 million savings)
- Detail Pool increase to reduce overtime costs (\$0.4 million, 21 positions)
- Fire inspection of new construction (2.5 positions, \$0.1 million) offset from growth in inspection fees.
- Haz Mat Clerical offset from growth in haz mat recovery fees (1 position, \$30k)

Detail Pool

- Detail Pool fills in when vacancies occur to maintain minimum staffing levels
- Saves \$3 in costs for every hour of overtime reduced.
- Proposed Detail Pool staffing level set to address base line overtime.
- Will cost \$0.4 million to train new personnel in first year.
- Will save over \$0.2 million over a full year

Fire Inspectors

- Fire Department inspects new construction and remodel/improvements
- Increase in number of requests for inspections primarily related to new construction
- 2 Fire Prevention Inspector and .5 clerical (\$0.1 million)
- Offset from growth of inspection revenues

Haz Mat Clerical

- Hazardous Material Response section
- Clerical to assist in Haz Mat incident billings, training records, and assignment pay
- Offset from cost recovery fees

Reduction Summary

FY 93-94

Closed Fruitridge Truck Company #10
Closed Meadowview Truck Company #16

FY 95-96

Closed Glen Elder Engine Company #9
Moved River Park Truck #8 to Fruitridge Truck #10

FY 97-98

Closed South Land Park Truck #13
Moved Valley High Truck #7 to Meadowview Truck #16

Fire Company Cost

First Year Costs:

Training	\$0.3 million
Operating Costs	0.7
Truck Purchase	<u>0.5</u>
Total	\$1.5 million

Ongoing Annual Costs: \$1.2 million

General Fund 5 Year Projection

(\$ in millions)

	98-99	99-00	00-01	01-02	02-03	03-04	04-05
Proposed Budget							
Cumm. Fund Bal.	2.9	3.0	6.6	1.0	10.7	3.6	-5.5
Add Fire Company							
Avail. Fund Bal.	2.9	1.5	3.9	3.0	5.3	-3.2	-13.7
Reduce CIP							
Avail. Fund Bal.	2.9	3.0	6.6	1.0	10.7	3.6	-5.5

CIP Impact

Proposed CIP Budget including
cash and debt proceeds : **\$60 million**

Reduction in CIP to offset
cost of restoration of
truck company: **<\$20 million>**

5 Year CIP with Fire Company **\$40 million**