

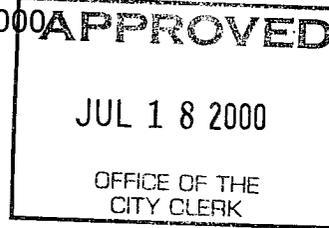
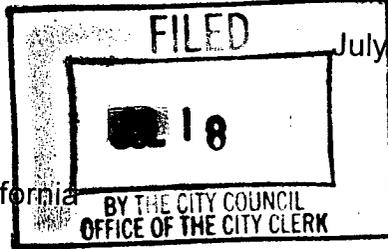


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Department of Utilities
Office of the Director

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City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: UPDATE: EAST BAY MUNICIPAL UTILITY DISTRICT ISSUES

LOCATION AND COUNCIL DISTRICT: City-wide

RECOMMENDATION: This report is for information only.

CONTACT PERSONS: Jim Sequeira, Director of Utilities, 264-1407

FOR COUNCIL MEETING OF: July 18, 2000

SUMMARY

At the request of Senator Feinstein, the U.S. Bureau of Reclamation and the East Bay Municipal Utility District (EBMUD) have re-instituted discussions with the Sacramento parties¹ relative to the longstanding issues associated with the American River. EBMUD has expressed interest in re-opening discussions regarding the *Modified Project* suggested by Sacramento parties and rejected by EBMUD in June of 1999. Several meetings, moderated by the U.S. Department of the Interior, have been held recently to discuss these requests and how a refocused environmental review might be pursued. Supplemental environmental review will include several alternative diversion sites including the Delta. More meetings are scheduled with the goal of completing adequate environmental review by mid November.

COMMITTEE/COMMISSION ACTION: None

¹The term *Sacramento parties* refers to the City of Sacramento, the County of Sacramento and the local environmental caucus.



CITY OF SACRAMENTO
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Update: EBMUD Issues

BACKGROUND INFORMATION

- For the past four years, the City has attempted unsuccessfully to facilitate an acceptable Joint Water Supply Project between Sacramento parties and the East Bay Municipal Utility District (EBMUD).
- In June of 1999, the City, County of Sacramento, and the Water Forum's environmental caucus proposed a modified project (aka the *Modified Proposal*) that would involve only EBMUD. Elements of this proposal include:
 - No diversions from Nimbus
 - A water diversion near 23rd and C Street
 - Diversions permitted only when flows in river are above Hodge threshold²
 - No sales of water to parties other than Sacramento and San Joaquin
 - Diversions limited to 100 million gallons per day
 - Passage of state legislation to prohibit Nimbus diversions
 - \$5 million for community enhancements and purchase of parkway properties.
- At their June 22, 1999 Board Meeting, EBMUD rejected the *Modified Proposal*.
- In late December 1999, the U.S. Bureau of Reclamation (USBR) asked the assistance of the Sacramento Parties in finding mutually satisfactory solutions to EBMUD's need for an American River water supply. They secured the services of a nationally known conflict management firm to ascertain whether further discussions between the parties might be fruitful.
- At Senator Feinstein's request, Mr. David Hayes, Deputy Secretary of the Department of the Interior, met with EBMUD and the Sacramento parties to explore possible steps to a mutually agreeable project.
- Subsequent meetings with EBMUD and the USBR were held on May 31st, June 12th, and June 26th. During this period EBMUD agreed to do a supplemental environmental analysis to fill the at issue data voids in their original 1997 draft.
- On July 7, 2000 a second meeting was called by Deputy Secretary Hayes to discuss the

²Hodge Threshold is river flow criteria as defined by 1991 Alameda Superior Court Decision.

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status of discussions. At this meeting it was mutually agreed that EBMUD and the USBR would address the following diversion location alternatives in their supplemental environmental analysis:

- Delta diversion at Bixler
- American River at 23rd Street (site proposed in *Modified Project Proposal*)
- Sacramento River at Freeport
- Sacramento River near City's Sacramento River Water Treatment Plant

The areas of emphasis that will be covered when analyzing these alternative diversion locations are:

- water quality differences between alternative diversion points
 - EBMUD's true water needs during drought
 - recent changes in California water policy and law
 - responses to comments on EBMUD's 1997 draft EIR/EIS
- It has been mutually agreed that the goal of future efforts and discussions is to produce a supplemental EIR/EIS by November 15, 2000 and that the U.S. Bureau of Reclamation will take a lead role in reviewing and substantiating technical data.
 - On July 10th the negotiating group met again with the aid of a mediator/facilitator to continue deliberations. It was agreed that future meetings would be held weekly to continue to exchange information necessary to focus project alternatives.
 - The next meeting is scheduled for July 19th.

ENVIRONMENTAL DETERMINATION

This report is for information only and no action is asked of City Council.

FINANCIAL CONSIDERATIONS

There are no financial implications associated with this report.

POLICY CONSIDERATIONS

City Council has previously approved discussions and negotiations with EBMUD and Sacramento County in an effort to develop an acceptable water supply project. The *Modified Proposal*, was approved by City Council and the County Board of Supervisors on June 15, 1999.

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ESBD CONSIDERATIONS

As no services or supplies are being purchased there are no ESBE issues.

Respectfully submitted,



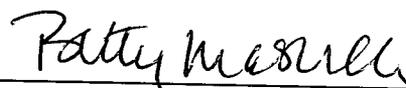
Jim Sequeira, Director of Utilities

APPROVED:



Robert P. Thomas, City Manager

RECOMMEND APPROVAL:



Thomas Lee, Deputy City Manager