



Metropolitan Water Planning

4.1D

May 20, 1999

City Council
Sacramento, CA

Sacramento City-County
Office of Metropolitan
Water Planning
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Sacramento, CA 95822
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Honorable Members in Session:

**SUBJECT: CITY-COUNTY OFFICE OF METROPOLITAN WATER PLANNING -
APPROVAL OF THE FY 1999-00 BUDGET**

LOCATION AND COUNCIL DISTRICT:

City / County

RECOMMENDATION:

Staff recommends the approval of the attached resolution, which approves the FY 1999-00 budget for the City-County Office of Metropolitan Water Planning (CCOMWP).

CONTACT PERSON:

Susan Davidson, Senior Administrative Officer, 433-6287

FOR COUNCIL MEETING OF: JUNE 8, 1999

SUMMARY:

The FY 1999-00 proposed baseline-operating budget of \$1,257,269 for the CCOMWP is 1.35% higher than the FY 1998-99 budget of \$1,240,958 and 13% lower than the FY 1997-99 budget of \$1,610,900. However, there is an additional \$150,000 for habitat management and \$16,800 for additional outreach efforts, both of which are "pass-through" expenditures being administered by the CCOMWP and completely offset by specific revenue sources. These "pass-through" amounts, when added to the baseline amount of \$1,257,269, result in a total proposed budget of \$1,424,069 for the CCOMWP in FY 1999-00.

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BACKGROUND:

- In the Fall of 1991 the City Council and Board of Supervisors authorized the establishment of an independent City-County Office of Metropolitan Water Planning (CCOMWP), and approved the Interagency Agreement among the City, County and County Water Agency for the new CCOMWP.
- The CCOMWP was initially established as a City budget unit organization in order to track the CCOMWP's costs and expenditures in the City's accounting system. Until January 1, 1998 the CCOMWP was financially supported on a 50/50 split by the City's Water Fund and the County's Water Agency (Zone 13).
- On January 1, 1998, the **Water Forum** entered an "Environmental Analysis and Stakeholder Approval Phase." This is a transition period between the end of Stakeholders' negotiations and Stakeholder Boards' approval and signing of the **Water Forum** Agreement. During this transition period a number of local government entities (including the City of Sacramento) agreed to cost-share the tasks that must be completed before Stakeholder Boards may sign and start implementing the **Water Forum** Agreement.
- In January 1999 the **Water Forum** published their Action Plan for a **Water Forum** Agreement and a Draft Environmental Impact Report (DEIR) for public and Stakeholder review.
- On April 5, 1999 the public comment period for the Draft EIR closed and analysis is currently underway to develop responses to the comments received for inclusion in the Final EIR.
- It is anticipated that during late 1999 the Final EIR will be completed and published, along with the **Water Forum** Agreement. The **Water Forum** Agreement will then be presented to all **Water Forum** Stakeholders for their approval and signing.
- After the **Water Forum** Final EIR is completed and the **Water Forum** Agreement is signed, a **Water Forum** Successor Effort will be responsible for overseeing, monitoring and reporting on the implementation of the **Water Forum** Agreement. It will continue the interest-based collaborative process successfully used to develop the **Water Forum** Agreement. Funding for the **Water Forum** Successor Effort will be cost-shared by the signatory water purveyors based on the number of water connections served.

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FINANCIAL CONSIDERATIONS:

Cost-sharing partners for the proposed \$1.257 million FY 1999-00 baseline budget include: the County of Sacramento (encompassing the pro rata share of all the water districts in the unincorporated area and City of Citrus Heights) - (\$628,635); the cities of Folsom (\$35,204), Galt (\$8,801), Roseville (\$81,722), and Sacramento (\$436,272); the Placer County Water Agency (\$33,946); the San Juan Water District, in Placer County (\$20,116); and the El Dorado County Water Agency (\$12,573). The funding amount attributed to each of the cost-sharing partners is based upon the number of water customer connections served by each entity.

On May 11, 1999 the County of Sacramento approved their funding share (50.0%) as part of their Zone 13 budget. The City of Sacramento cost-share amount (34.7%) is included as part of the Department of Utilities proposed FY 1999-00 budget and is supported by the Water Fund. There are verbal and/or written commitments from the staffs of all the cost-sharing partners, except the City of Roseville, that their organizations will financially support the CCOMWP during FY 1999-00. Discussions are still underway at this time with the City of Roseville to confirm their consent to the cost-sharing amount attributed to their agency. Reimbursement agreements with the cost-sharing partners will be executed prior to the end of the 1999-00 FY.

The major expenditures projected for the FY1999-00 budget are:

- \$ 69,000 for legal services;
- \$100,840 for technical consultant services;
- \$120,000 for the mediators of the **Water Forum**;
- \$125,820 for public outreach activities to facilitate the approval of the **Water Forum** Agreement by the stakeholder boards, and its acceptance by the public;
- \$150,000 for habitat management element;
- \$210,156 for completion of the Final EIR;
- \$257,318 for office expenses; and
- \$311,516 for staff salaries and benefits.

As a part of its mitigation measures committed to in its Fazio Water FEIR/FEIS, the Sacramento County Water Agency (SCWA) is contributing \$75,000 to the CCOMWP in January 2000 for use to begin development of a Habitat Management Plan consistent with the **Water Forum's** Habitat Management Element (HME) on the Lower American River. This contribution will be made prior to the signing of the **Water Forum** Agreement since the Fazio Water FEIR/FEIS preceded it. The SCWA is also contributing an additional \$75,000 to the

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CCOMWP in January 2000 as a part of an agreement with the Northridge Water District to fund their share of the HME efforts as described in the Placer County Water Agency/Northridge Water District Groundwater Stabilization Project Final EIR. Although this total amount (\$150,000) is reflected in the proposed FY 1999-00 budget, it will be expended by the CCOMWP on behalf of the SCWA and will not be apportioned to the cost-sharing partners.

During FY 1998-99, the position of Executive Director, which had been filled in previous years by Assistant and Deputy City Managers as well as through a consultant contract, was filled by an exempt City management employee. This change is reflected in the proposed FY 1999-00 budget by the addition of one FTE to the City's Utility Department's Business Services Division (3350). As described in Section IV, STAFFING ARRANGEMENTS, of the Interagency Agreement for the CCOMWP, other City positions assigned to the CCOMWP are also included in the City's Utility Department and are paid for by the cost-sharing partners based upon the pro-rata share identified above.

Because the CCOMWP is responsible for coordinating, staffing, and funding the work of the **Water Forum**, it needs to exist until the Final EIR is completed, final negotiations for the **Water Forum** Agreement are completed, and the **Water Forum** Agreement is approved and signed by the Stakeholder organizations. It had been anticipated that the **Water Forum** Agreement would have been finalized by now. However, the completion of the **Water Forum's** DEIR was extended due to the necessity to: (1) confirm with the US Bureau of Reclamation that their PROSIM hydrologic model had been accurately modified to resolve a significant discrepancy in the model; and (2) determine how to address potential Endangered Species Act issues. The **Water Forum** Agreement cannot be approved nor signed until the certification of the **Water Forum's** Final EIR by the co-lead agencies, which are the City and County of Sacramento.

It is anticipated that many of CCOMWP's tasks could be completed by the end of the 1999 calendar year. However, there will be a need for the CCOMWP to exist for a time in 2000 in order to transition to a **Water Forum** Successor Effort and to help with the process of review and approval of the **Water Forum** Agreement by the Stakeholder organizations. Previously, this review and approval process of **Water Forum** documents by the Stakeholder organizations has taken from three to four months.

As a part of the **Water Forum's** Lower American River (LAR) Habitat Management Element, the CCOMWP, in partnership with SAFCA and others, has applied to CALFED for a \$250,000 grant for the development of a corridor management plan for the LAR consistent with water management and flood

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control plans. Notification regarding the grant request should be received by early July 1999. If the grant is awarded to the CCOMWP, staff will return to the City Council to amend both the expenditure and revenue budgets during the summer of 1999.

ENVIRONMENTAL CONSIDERATIONS:

This report recommends no action that would constitute a project under the California Environmental Quality Act (CEQA).

POLICY CONSIDERATIONS:

The CCOMWP's FY 1999-00 proposed budget complies with policy direction provided by the City Council and the Board of Supervisors in forming the CCOMWP, approving the Work Plan and supporting the efforts of the **Water Forum**.

ESBD CONSIDERATIONS:

Since no goods or services are being purchased, Emerging and Small Business Development efforts are not applicable.

Respectfully submitted,

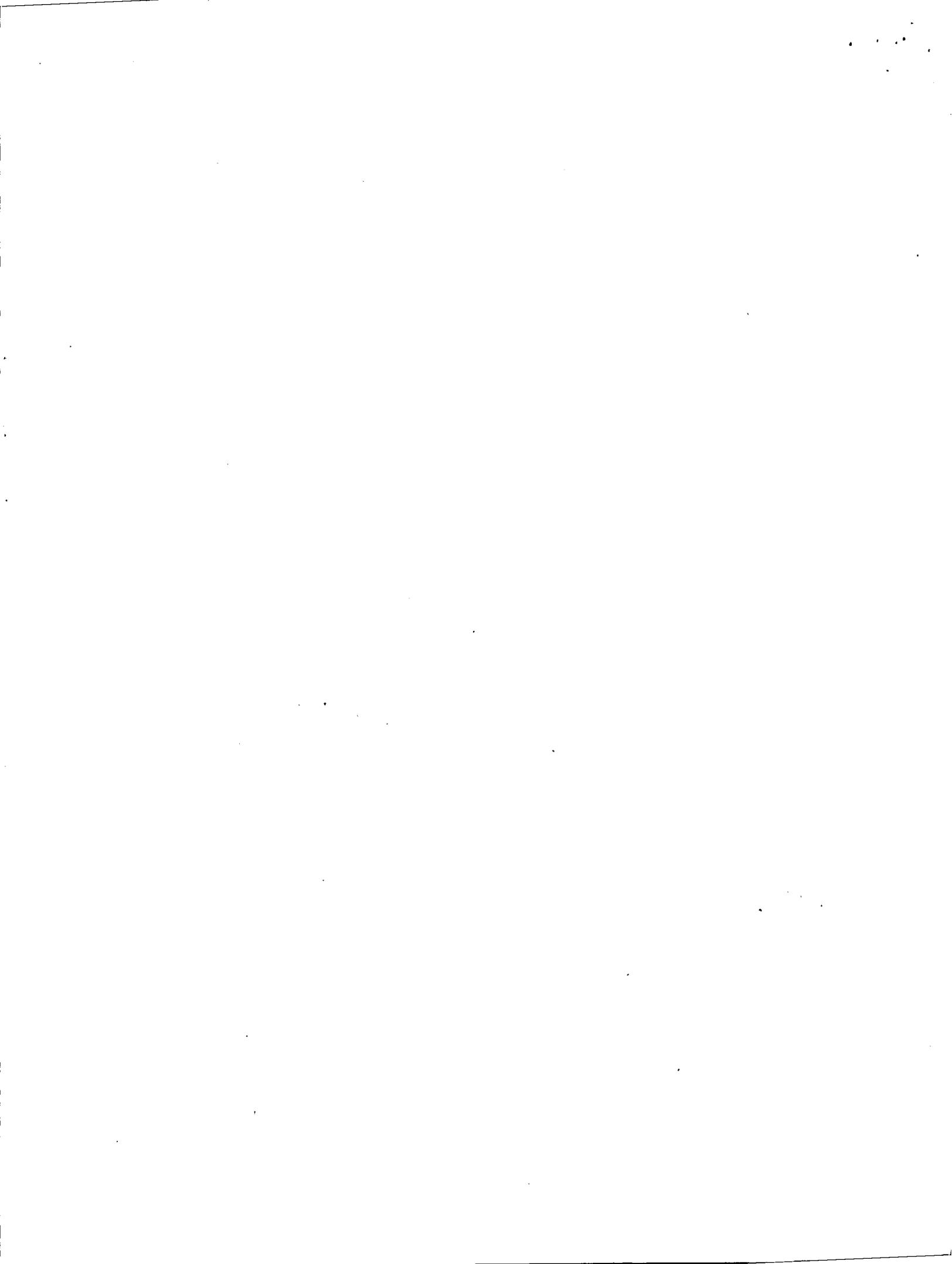


JONAS MINTON
Executive Director

RECOMMENDATION APPROVED:



Robert P. Thomas
City Manager



RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION APPROVING THE FY 1999-00 OPERATING BUDGET FOR THE CITY - COUNTY OFFICE OF METROPOLITAN WATER PLANNING

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

1. That the June 8, 1999 staff report identifying the FY 1999-00 budget for the City-County Office of Metropolitan Water Planning is hereby approved.
2. That the position of the Executive Director of the City-County Office of Metropolitan Water Planning, one (1) FTE, be added to the Department of Utilities Budget, Org. 3350, is hereby approved.
3. That in order to establish a FY 1999-00 budget for the City-County Office of Metropolitan Water Planning, the following budgets are established as shown:
 - a. The FY 1999-00 revenue budget for the City-County Office of Metropolitan Water Planning Fund is hereby established as follows:

513-880-8810-3717	\$436,272
513-880-8810-3598	\$778,635
513-880-8810-3599	\$209,162
	<u>\$1,424,069</u>

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RESOLUTION NO.: _____

DATE ADOPTED: _____

b. The FY 1999-00 expenditure budget for the City-County Office of Metropolitan Water Planning is hereby established as follows:

OBJECT CODE	AMOUNT
4101	\$325,806
4201	16,000
4202	5,112
4206	1,200
4209	2,520
4211	600
4213	65,000
4231	54,000
4233	5,850
4241	15,000
4251	109,000
4252	100,840
4254	35,236
4258	601,120
4261	1,500
4262	12,500
4263	1,500
4270	1,000
4271	400
4272	1,000
4276	5,400
4288	2,000
4411	5,500
4462	3,000
4520	23,000
4831	29,985
TOTAL	<u>\$1,424,069</u>

MAYOR

ATTEST:

CITY CLERK

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