

APPROVED

SEP 19 2001

OFFICE OF THE
CITY CLERK

27

Department of Utilities
Office of the Director

CITY OF SACRAMENTO
CALIFORNIA

1395 35th Avenue
Sacramento, CA 95822-2911
phone (916) 264-1400
fax (916) 264-1497/1498

August 29, 2001

City Council
Sacramento, California

Honorable Members in Session:

AG 2001-157

**SUBJECT: AGREEMENT OF CONSENT TO ASSIGNMENT BETWEEN THE CITY OF
SACRAMENTO AND THE ARCADE WATER DISTRICT**

LOCATION AND COUNCIL DISTRICT: City-wide

RECOMMENDATION

Staff recommends that City Council approve the attached agreement with the Arcade Water District to transfer the rights and obligations of the 1964 City/Arcade Agreement to a consolidated agency in the event the Arcade Water District consolidates with the Northridge Water District.

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

FOR COUNCIL MEETING OF: September 19, 2001

SUMMARY

The Arcade and Northridge Water Districts are exploring the possibility of consolidating their two agencies. In 1964 the City of Sacramento executed an agreement with Arcade to allow them to divert 26,064 acre-feet of water from the American River for their use within a specified area north of the American River. Arcade officials have requested that if the consolidation of the Arcade Water District with the Northridge District is completed that the rights and obligations of the 1964 agreement be transferred to the new merged agency. Staff is recommending that City Council approve that transfer if such a consolidation occurs.

COMMITTEE/COMMISSION ACTION: None

BACKGROUND INFORMATION

- The City negotiated an agreement with the Arcade Water District in 1964 allowing Arcade to utilize City water entitlements to divert water upstream on the American River.
- The Arcade Water District subsequently constructed diversion facilities to take advantage of the City/Arcade Agreement to divert water to its customers.



CITY OF SACRAMENTO
DEPARTMENT
OF UTILITIES

Making a Difference in Your Neighborhood

City Council
September 19, 2001

**AGREEMENT OF CONSENT TO ASSIGNMENT BETWEEN THE CITY OF SACRAMENTO
AND THE ARCADE WATER DISTRICT**

- For the past few years the Arcade Water District and the Northridge Water District have conducted studies and public hearings to determine the feasibility of consolidating these two special districts into one agency.
- Arcade has requested that the City transfer the rights and obligations of their 1964 agreement with the City to the proposed new agency that would result if the two districts consolidated.
- This consent agreement shall terminate on January 1, 2004 if a consolidation of Arcade and Northridge does not become effective by then.
- Attorneys for the City and the Arcade Water District have drafted the attached consent agreement for City Council review and approval.
- Staff has reviewed the requested action and recommends that City Council approve the consent agreement to effect such a transfer in the event of district consolidation.

FINANCIAL CONSIDERATIONS

As required by the 1964 City/Arcade Agreement, the Arcade Water District currently pays the City approximately \$30,000 annually. This fee is based on the City's annual obligation to the U.S. Bureau of Reclamation to pay for water storage at Folsom. If the two districts consolidate, the fee will continue but paid by the new agency.


POLICY CONSIDERATIONS

Approval of the attached Agreement of Consent is consistent with obligations of the 1964 City/Arcade Agreement and the City's responsibility to serve surface water within its State of California authorized place of use.

ESBD CONSIDERATIONS

There are no ESBD issues associated with this report.

Respectfully submitted,



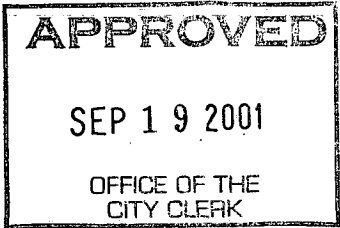
Jim Segueira, Director of Utilities

APPROVED:

APPROVED:

Robert P. Thomas, City Manager

Thomas Lee, Deputy City Manager



RESOLUTION NO. 2001-631

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AN AGREEMENT OF CONSENT WITH THE ARCADE WATER DISTRICT

BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:

1. The City Manager is authorized to sign the attached Agreement of Consent with the Arcade Water District to transfer rights and obligations of the 1964 City of Sacramento / Arcade Agreement to the new agency in the event Arcade and the Northridge Water District consolidate.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____