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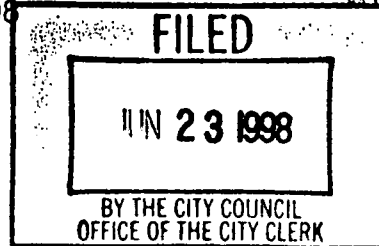
DEPARTMENT OF
UTILITIES
OFFICE OF THE DIRECTOR

CITY OF SACRAMENTO
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June 12, 1998



City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: CITY / COUNTY / EAST BAY MUNICIPAL UTILITY DISTRICT JOINT WATER SUPPLY PROJECT

LOCATION AND COUNCIL DISTRICT: City-wide

RECOMMENDATION: There is no recommendation associated with this report. It is for information only.

CONTACT PERSONS: Jim Sequeira, Director of Utilities, 433-6607

FOR COUNCIL WORKSHOP MEETING OF: June 23, 1998

SUMMARY

For the past three years City staff has been meeting with representatives of the County of Sacramento (County) and the East Bay Municipal Utility District (EBMUD) to discuss and negotiate a proposed joint water supply project between the agencies. The workshop presentation is to update City Council as to the progress of these discussions and the elements of the agreement under consideration.

COMMITTEE/COMMISSION ACTION: None

BACKGROUND INFORMATION

In 1970, EBMUD entered into a water service contract with the federal government to provide 150,000 acre-feet¹ of American River water annually from the Folsom South Canal. Because of

¹An acre-foot of water is equal to 325,900 gallons

concerns that a reduction of downstream flows in the American River might harm fisheries and other instream resources, Sacramento County, Save the American River Association, and other interests filed a lawsuit in 1972 to prevent EBMUD from taking delivery of its contractual water to be diverted at Nimbus Dam. In 1990, a court decision was finally issued allowing EBMUD to take delivery of this water subject to several constraints. To avoid further conflict, and to meet the needs of both the Sacramento interests and EBMUD, the City and County, in 1995, invited EBMUD to participate in discussions and negotiations to devise a joint water supply project.

The resulting proposal for a Joint Project allows EBMUD to utilize its 1970 American River entitlement and receive a minimum of 70,000 acre-feet in the driest years. In other years up to 112,000 of its 150,000 acre-foot entitlement would be available to EBMUD. The County would employ the project to divert and deliver water it has recently acquired through federal legislation, as well as future acquisitions, to the City's Fairbairn Water Treatment Plant (WTP) for treatment and delivery to its customers.

Water for the County and EBMUD would be pumped from a new intake structure on the American River, upstream of the I-5 Bridge, and conveyed through a new pipeline to a location near the Fairbairn WTP. Water for the County would go to this facility for treatment while water for EBMUD would be conveyed through a new pipeline to the Folsom South Canal. Another pipeline would then convey water from the Folsom South Canal to EBMUD's Mokelumne Aqueducts in San Joaquin County.


There has been extensive outreach on this project to ensure that the public and other interested agencies and groups are aware of the proposed project as well as be able to have input and provide comment. A draft environmental impact report / environmental impact statement was issued by EBMUD in October of 1997 but has not yet been finalized.

Respectfully submitted,



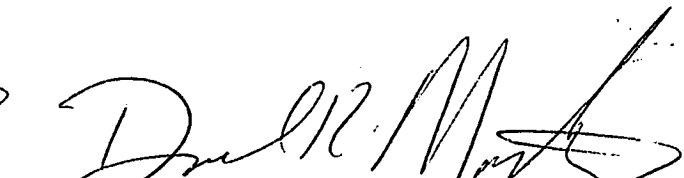
Jim Sequeira, Director of Utilities

APPROVED:



William H. Edgar, City Manager

APPROVED:



David Martinez, Deputy City

Historical Setting

- EBMUD's: 1970 Water Contract
- Litigation for Almost 20 Years
- 1990 Superior Court Decision
- Opposition to City Projects
- Discussions begin in 1995

Framework of Joint Project

EBMUD

- 70,000 Acre-Feet Annually Severe Drought
- 112,000 Acre-Feet Annually Other Years
- 100 ^{million gal/day} mgd Diversion Near Mouth
- Potential Sale to Others
- Planned Outage Needs Met

Framework of Joint Project

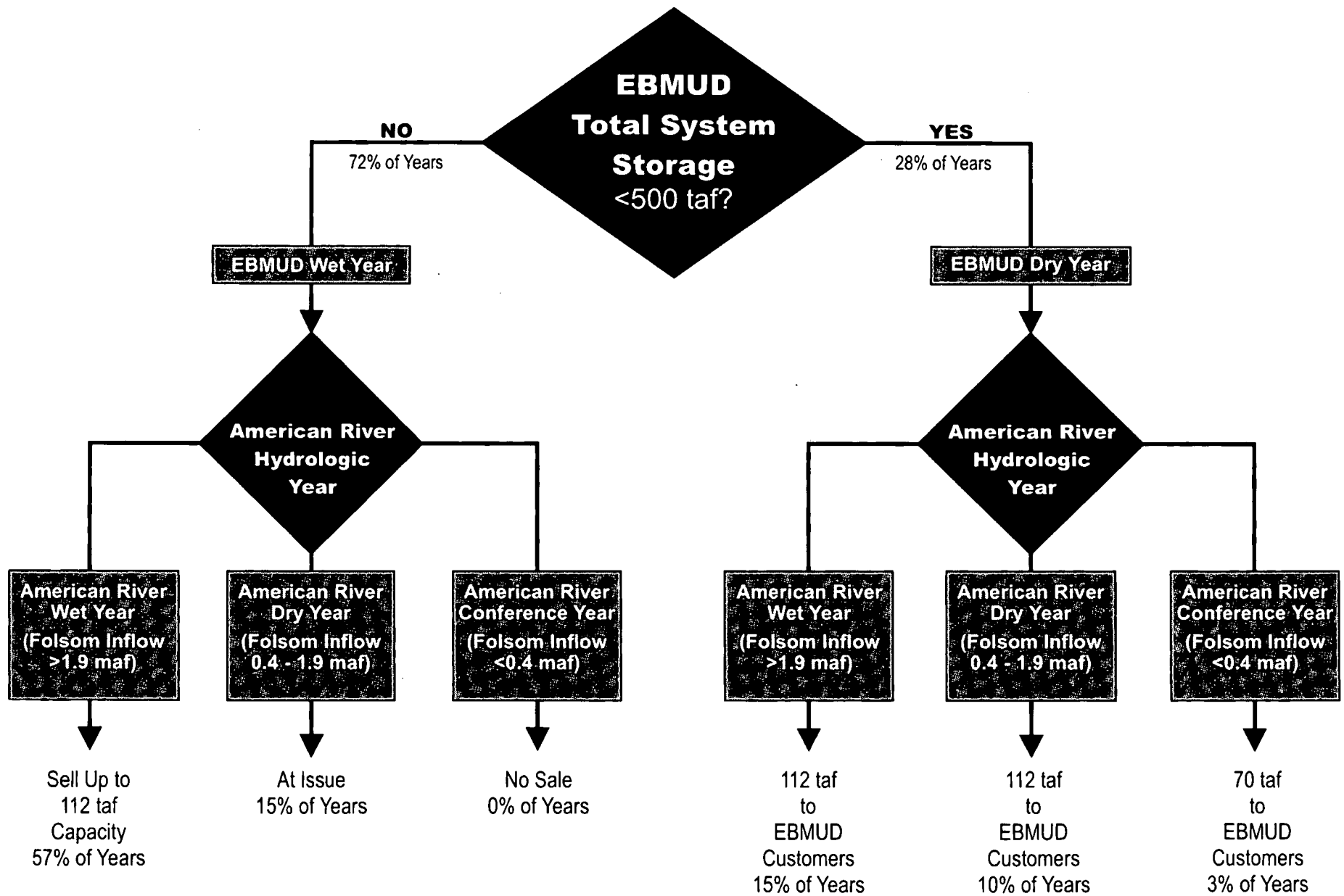
County

- 40 mgd Diversion Near Mouth
- Treatment at Fairbairn WTP
- Use of Unused Capacity Up to 40 Mgd
- First Right on Unused EBMUD Water

Framework of Joint Project

City

- Would Operate & Maintain New Facilities
- Will Not Cost Share in Non-City Facilities
- Provide Diversion for EBMUD's Planned Outage *treatment rehab Fairburn & Soc. plant (done anyway)*
- Treat/Deliver Water to County



Percentages based on historical hydrology



MONTGOMERY WATSON

Elements of Joint Project Facilities

- New 140 mgd AR Intake
- 140 mgd Pipeline to Fairbairn WTP
- New 226 mgd Pump Station
- 226 mgd Pipeline to Folsom South Canal
- JPA to Own/Operate/Finance

*System
owners
agreement*

Public Meetings: How many and where

- Initiation of Draft EIR/EIS document
July 1996
- Five Scoping Meetings - *Combine Partnership Team*
April/May 1996
- Public Workshop
August 1997 *huge list of invitees look @ 5 alternatives gain feedback*
- Five Public Hearings on Draft EIR/EIS
December 1997 *2 in Sac*

Group Presentations: Who heard about the project

Over 40 organizations & Neighborhood Associations

- Richards Blvd Advisory Committee
- American River Parkway Foundation
- Natomas Community Association
- Neighborhood Assoc. Advisory Group (NAAG)
- Sacramento Chamber of Commerce

Organizations (Continued)

- CPAC's
- Sacramento County Alliance of Neighbors (SCAN)
- County Regional Parks & Recreation
- Sacramento Area Water Works Association
- Lower American River Task Force
- McKinley/Elvas; Blvd Park; Marshall School Neighborhood Assoc.
- City/County Bicycle Advisory Committee
- Other City Departments

direct mail packets to 72 assoc's

Media Outreach: Success in Print

- Placement articles published in Business Journal and Natomas Journal
- Sacramento Bee Coverage: Daily/Editorial/Neighbors
- Numerous news releases
- Several articles in weekly/monthly publications
- Paid advertisements to announce extension of public comment period for Draft EIR/EIS

What's next: Continue Communication!

- Inform database participants (3,300) outcome of EIR/EIS
- Continue public information partnership
- Keep community informed of key milestones

Cost of Project

■ EBMUD	\$343 million
■ County	\$ 19 million
■ City	<u>\$140 million</u>
	\$502 Million

What Does City Get Out of Deal?

- Support to Rehab/Expand Facilities
- Cost Share in Intake Rehabilitation
- Community Enhancements *parks, bikeways,*
- Sole Operation/Maintenance of Facilities

Key Unresolved Issues

- EBMUD Dry Year Assurance
- County's Use of Excess Capacity/Water
- Nimbus Disconnect
- Water Transfers *(sale of water)*

Peripheral Issues

- Water Forum Outcome
- Endangered Species Act
- Position of Environmentalists
- Community Support

Current Status of Negotiations

Draft Agreement

- Description of Project
- Community Enhancements
- Operational Modes
- Use of Excess Capacity

Draft Agreement (Continued)

- Nimbus Disable
- Construction Management
- JPA
- Cost Allocation
- General Conditions

Time Schedule

- Approval of Agreement August 1998
- Begin Construction September 1999
- Begin Operation September 2002