



Metropolitan Water Planning

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Sacramento City-County
Office of Metropolitan
Water Planning

June 6, 2005

660 J Street
Suite 260
Sacramento, CA 95814

Phone: 916-264-1999
FAX: 916-264-5286

City Council
Sacramento, CA

Honorable Members in Session:

**SUBJECT: FY2005/06 PROPOSED BUDGET (\$1,303,687)
CITY-COUNTY OFFICE OF METROPOLITAN WATER PLANNING**

LOCATION AND COUNCIL DISTRICT: Citywide

RECOMMENDATION:

This report provides information on the FY2005/06 Proposed Budget for the City-County Office of Metropolitan Water Planning (CCOMWP) it is recommended that City Council approve this budget as proposed

CONTACT PERSONS: Sarah Foley, Program Manager, 264-1997
Kathy Howard, Administrative Analyst 264-1995

FOR COUNCIL MEETING OF: June 28, 2005

SUMMARY:

This report provides information about the FY2005/06 proposed budget for the City-County Office of Metropolitan Water Planning (CCOMWP). It includes a description of the CCOMWP, and its budget.

COMMITTEE/COMMISSION ACTION:

The Water Forum Coordinating Committee reviewed and approved the CCOMWP Budget and Work Plan for FY2004/05 on April 21, 2005. Additionally, the budget was approved by WFSE stakeholder representatives on May 12, 2005.

BACKGROUND:

- In the fall of 1991, the Sacramento City Council and Sacramento County Board of Supervisors authorized the establishment of an independent City-County Office of Metropolitan Water Planning and approved the Interagency Agreement among the City and County Water Agency for the new CCOMWP. The Second Interagency Agreement was approved on January 9, 2001 and is in effect through December 31, 2030.
- The CCOMWP is responsible for staffing, administering, and coordinating the Water

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Forum. Until January 1, 1998, the CCOMWP was financially supported by a 50/50 split by the City's Water Fund and the County's Water Agency (Zone 13).

- Beginning January 1, 1998, a number of local government entities agreed to share in the operating costs of the CCOMWP.
- The Water Forum Agreement, signed in late 1999 through early 2000, included a mechanism for a Water Forum Successor Effort (WFSE) to ensure actual implementation of the Agreement over the next three decades. The WFSE is being administered under the auspices of the CCOMWP. The WFSE will continue the interest-based collaborative process successfully used to develop the Water Forum Agreement to implement the Agreement.

FINANCIAL CONSIDERATIONS:

The CCOMWP proposed operating budget for FY2005/06 is \$1,303,687. This includes activities for the two co-equal objectives of the Water Forum Agreement:

Water Forum Successor Effort \$824,337

Funding for the WFSE portion continues to be cost-shared by water purveyor signatories and is based on the number of water connections served by each entity. Sacramento Municipal Utility District (SMUD) and the El Dorado County Water Agency (EDCWA) are the exceptions to this arrangement.

SMUD's annual contribution is equal to \$10,000 plus an annual inflation percentage as set by the January issue of the Engineering News Record published Construction Cost Indexes.

EDCWA contributes a flat one percent of the total budget on behalf of the El Dorado Irrigation District and the Georgetown Divide Public Utility District, all of which currently have Water Forum Procedural Agreements. As soon as these purveyors have negotiated Specific Agreements, they will contribute to the Water Forum Successor Effort on the same basis as other purveyors that have Specific Agreements.

<u>Cost-sharing partners for the WFSE FY2005/06 operating budget include:</u>	
County of Sacramento (encompassing the pro rata share of all the water districts in the unincorporated area and the cities of Citrus Heights, Rancho Cordova and Elk Grove)	\$415,971
City of Sacramento	252,597
City of Roseville	66,522
City of Folsom	35,261
Placer County Water Agency	19,706
San Juan Water District, (Placer County Service Area)	13,212
El Dorado County Water Agency	8,179
Sacramento Municipal Utility District	<u>12,889</u>
Total.	<u>\$824,337</u>

The City of Sacramento's cost-share amount (\$252,597) for the WFSE budget is included in the Department of Utilities proposed FY2005/06 budget within its Water Fund (413). The other cost-sharing partners have agreed to their funding prorations and will execute reimbursement agreements prior to the end of the FY2005/06.

Major expenditures projected for the FY2005/06 WFSE budget are:

- \$87,220 for technical consultant services;
- \$221,500 for other services/supplies including office rent and indirect costs paid to the City;
- \$163,945 for other professional services including mediation/facilitation and public outreach; and
- \$351,672 for staff salaries and benefits.

Habitat Management Element (HME) of the Water Forum Agreement \$479,350

The HME portion is funded by the City of Sacramento, County of Sacramento, and other diverters of non-Central Valley Project (CVP) water from the American River.

One of the obligations in the Water Forum Agreement is to fund a portion of the HME project and studies. When signing the Water Forum Agreement, the City of Sacramento and the Sacramento County Water Agency (SCWA) each committed to fund the HME annually.

For FY2005/06, the City's portion (\$150,511) is included in the Department of Utilities operating budget and is supported by the Water Fund. The County's portion (\$301,023) is included as a part of the SCWA's Zone 13 budget.

For FY2005/06, Southern California Water Company (Arden/Cordova Water Services) will contribute \$3.00 per acre-foot of water purchased from Sacramento Municipal Utility District as replacement water for supplies lost to groundwater contamination. The projected total contribution is \$10,000.

In addition, other purveyor signatories to the Water Forum Agreement that divert non-Central Valley Project (CVP) water from the American River will pay into the HME Fund

In calendar year 2004, the San Juan Water District in Placer County diverted 3,626 acre-feet of non-CVP water from the American River over its 1995 baseline amount. In accordance with the Water Forum Agreement, the fee for increased diversions of non-CVP water over the 1995 baseline amounts is \$3.00 per acre-foot plus an annual adjustment for inflation. Therefore, the San Juan Water District's portion is based upon 3,626 acre feet multiplied by \$3.62 per acre-foot, which equals \$13,126. Although the total funding of \$479,350 is reflected in the

proposed FY2005/06 CCOMWP budget, it will be expended on behalf of the City, SCWA, and San Juan Water District for HME efforts and will not be apportioned to any other cost-sharing partners.

The major expenditures projected for the FY2005/06 include:

- \$35,000 for HME recreation contribution to update the American River Parkway Plan
- \$444,350 for professional services and supplies including technical consultant services for the completion of a flow standard, implementation of the Fisheries and In-Stream Habitat (FISH) Plan, an American River fish hatchery analysis, development of a system-wide Ecological and Biological Monitoring Plan, consulting and mediation/facilitation.

In-kind Services to WFSE

Although not covered by either the WFSE or HME portions of the CCOMWP budget, several projects are being pursued on behalf of the Water Forum by a number of Water Forum Stakeholders and other agencies. The projects that will continue to be funded during FY2005/06 include:

- The City of Folsom, and San Juan Water District are providing the services of an attorney. The attorney will develop and mediate Upstream Diversion Agreements with the United States Bureau of Reclamation.
- Technical consulting services to help with the development of a recommendation for an updated minimum flow regime to be submitted to the State Water Resources Control Board for establishment as an updated LAR flow standard are being paid for by the City of Sacramento.
- The Sacramento Area Flood Control Agency (SAFCA) will be funding the legal services related to the development of the lower American River Flow Management Plan.

ENVIRONMENTAL CONSIDERATIONS:

Not applicable.

POLICY CONSIDERATIONS:

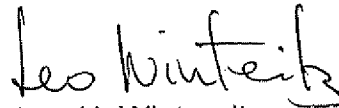
The CCOMWP's FY2005/06 proposed budget complies with policy direction provided by the City Council and the Board of Supervisors in forming the CCOMWP, approving its work plan, and supporting the efforts of the Water Forum.

City Council
FY2005/06 Proposed Budget
City-County Office of Metropolitan Water Planning (CCOMWP)
June 6, 2005

ESBD CONSIDERATIONS:

No goods or services are being purchased under this report.

Respectfully submitted,



Leo H. Winternitz
Executive Director

RECOMMENDATION APPROVED:



Robert P. Thomas
City Manager

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ATTACHMENT A – Resolution in support of the CCOMWP Budget (page 6)

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION APPROVING ADOPTION OF THE FY2005/06 OPERATING BUDGET FOR THE CITY-COUNTY OFFICE OF METROPOLITAN WATER PLANNING

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

1. The June 28, 2005 staff report identifying the FY2005/06 budget for the City-County Office of Metropolitan Water Planning is hereby approved.
2. In order to establish a FY2005/06 budget for the City-County Office of Metropolitan Water Planning Fund (513) for the Water Forum Successor Effort (WFSE), the following budgets are established as shown:
 - The FY2005/06 Revenue Budget for the City-County Office of Metropolitan Water Planning Fund for the WFSE is hereby established as follows:

513-880-8810	\$(824,337)
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- The FY2005/06 Expenditure Budget for the City-County Office of Metropolitan Water Planning for the WFSE is hereby established as follows:

513-880-8810	\$824,337
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FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____

Resolution Approving Adoption of the
FY2005/06 Operating Budget for the
City-County Office of Metropolitan Water Planning

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3. In order to establish a FY2005/06 budget for the City-County Office of Metropolitan Water Planning Fund (514) for the Habitat Management Element (HME), the following budgets are established as shown:

- The FY2005/06 Revenue Budget for the City-County Office of Metropolitan Water Planning Fund for the HME is hereby established as follows:

514-880-8810	\$(479,350)
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- The FY2005/06 Expenditure Budget for the City-County Office of Metropolitan Water Planning for the HME is hereby established as follows:

514-880-8810	\$479,350
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MAYOR

ATTEST:

CITY CLERK