

Meeting Date: 5/27/2014

Report Type: Consent

Report ID: 2014-00320

Title: Agreements: Cost Sharing Fiscal Year 2014/15 Sacramento City-County Office of Metropolitan Water Planning

Location: Citywide

Recommendation: Pass a Motion authorizing the City Manager or the City Manager's designee to execute 1) two interagency cost share agreements to fund the Water Forum Successor Effort, a) with the County of Sacramento, City of Roseville, City of Folsom, Placer County Water Agency, and the San Juan Water District; and b) with the El Dorado County Water Agency; and 2) an interagency cost share agreement to fund the Habitat Management Element with the County of Sacramento.

Contact: Tom Gohring, Executive Director (916) 808-1998, Citywide and Community Support, Sacramento City-County Office of Metropolitan Water Planning

Presenter: None

Department: Community Support

Division: CCOMWP

Dept ID: 80004101

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Agreement (Water Forum Successor Effort)
- 4-Agreement (Funding Water Forum Process)
- 5-Agreement (Habitat Management Cost Sharing)

City Attorney Review

Approved as to Form
Joe Robinson
4/28/2014 4:54:46 PM

Approvals/Acknowledgements

Department Director or Designee: Tom Gohring - 4/24/2014 2:45:56 PM

Description/Analysis

Issue Details: Under the current Interagency Agreement (C2001-005) governing operations of the Sacramento City-County Office of Metropolitan Water Planning (CCOMWP), funding for the Water Forum Successor Effort (WFSE) and Habitat Management Element (HME) is provided by water suppliers who are signatory to the Water Forum Agreement (WFA).

Policy Considerations: The WFA (C1999-222) approved in FY1999/00, includes a mechanism for a Water Forum Successor Effort 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 continues the interest-based collaborative process successfully used to develop the Water Forum Agreement.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): CEQA does not apply because approval of the proposed agreements pertain to administrative activities that will have no significant effect on the environment [CEQA Guidelines Section 15061(b)(3)]; and that do not constitute a "project" for purposes of CEQA [CEQA Guidelines Section 15378(b)(2) and (b)(4)].

Sustainability Considerations:

Approval of the FY2014/15 Water Forum Successor Effort and Habitat Management Element Cost Share Agreements are consistent with the City of Sacramento's Sustainability Master Plan Goals.

Sustainability Goal No. 7 - Parks, Open Space and Habitat Conservation is promoted by the second co-equal objective of the Water Forum Agreement "To preserve the fishery, wildlife, recreational, and aesthetic values of the lower American River."

Sustainability Goal No. 8 - Water Resources and Flood Protection is supported by the first co-equal objective of the Water Forum Agreement "To provide a reliable water supply for planned development to the year 2030."

Commission/Committee Action: The proposed cost share breakdown was approved by the Water Forum Coordinating Committee on February 27, 2014; by the Water Forum Plenary on March 13.

Rationale for Recommendation: Approval of the FY2014/15 Cost Share Agreements will support the continuing activities of the WFSE and HME consistent with the Water Forum Agreement.

Financial Considerations: Shared funding amounts for the WFSE are based primarily on the number of water connections served by each entity. There are two exceptions to this arrangement:

(1) the Sacramento Municipal Utility District (SMUD) whose initial contribution was \$10,000 and is adjusted annually for inflation as set by the "Engineering News Record" published Construction Cost Index (CCI) for US – 20 Cities Average and for the San Francisco Bay Area per the Water Forum Agreement (page 87). The annual adjustment is calculated using the average for these two areas, currently 3.75%; and

(2) The El Dorado County Water Agency (EDCWA) which makes annual contributions based on a flat 1% of the total projected WFSE budget. The EDCWA renews their cost share agreement once every 3 years. Their current cost share agreement expires on June 30 and this report requests authorization for a new three-year agreement.

Fund 7103

Water Forum Successor Effort (WFSE) Cost Share Amounts

Sacramento County - Zone 13	\$477,813
City of Sacramento	264,362
City of Roseville	78,217
City of Folsom	37,933
Placer County Water Agency	19,827
Sacramento Municipal Utility District	17,107
San Juan Water District in Placer County	13,522
El Dorado County Water Agency	9,180
Total:	<u>\$917,961</u>

The Water Forum Agreement describes the cost-sharing process among the water purveyors for the Habitat Management Element on pages 86-87. Contributions by the City of Sacramento and County of Sacramento were initially set annually at \$125,000 and \$250,000, respectively. These contributions are adjusted each year for inflation as described above.

Other purveyors with contracts for Central Valley Project water agreed to contribute to the HME in those years when they divert non-CVP water above their baseline. Golden State Water Company agreed to contribute to the HME for water diverted under its replacement water supply contract with SMUD. The potential value of these contributions is unknown at the time budgets are prepared and not included in the projection.

Sufficient funds are available for the City of Sacramento's total cost share offset. These City funds are included in the FY2014/15 Department of

Utilities Water Fund 6005 budget. The City's contribution will provide \$264,362 for WFSE services and programs in Fund 7103 and \$199,751 for HME services and programs in Fund 7104 as program support transfers.

Fund 7104

Habitat Management Element (HME) Cost Share Amounts

Sacramento County - Zone 13	\$399,501
City of Sacramento	<u>199,751</u>
Total:	\$599,252

Local Business Enterprise (LBE): Not applicable.

BACKGROUND

In the fall of 1991, the City Council and Board of Supervisors authorized the establishment of an independent Sacramento City-County Office of Metropolitan Water Planning (CCOMWP) and approved the Interagency Agreement (C1991-203) among the City of Sacramento, County of Sacramento, and Sacramento County Water Agency for the new entity. The Second Interagency Agreement (C2001-005) was approved by all three agencies on January 9, 2001.

The CCOMWP is responsible for staffing, administering, and coordinating the Water 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).

Since January 1, 1998, a number of local government entities (including the City of Sacramento) agreed to cost-share the tasks that needed to be completed prior to implementation of the Water Forum Agreement.

The Water Forum Agreement (C1999-222) approved in FY1999/00 includes 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 continues the interest-based collaborative process successfully used to develop the Water Forum Agreement.

Interagency Agreement
 For Cost-Sharing the Fiscal Year (FY) 2014/2015
 Budget of the
Water Forum Successor Effort

THIS AGREEMENT is made and entered into on July 1, 2014 by and among Sacramento County; Sacramento County Water Agency; City of Roseville; City of Folsom; Placer County Water Agency; San Juan Water District, and the City of Sacramento (on behalf of the Sacramento City-County Office of Metropolitan Water Planning and the Water Forum Successor Effort).

The parties to this agreement, in consideration of the mutual obligations set forth herein, agree as follows:

Section I.

Cost-Sharing: The cost-sharing partners of the Water Forum identified below have each agreed to pay a pro-rata amount of the total costs for funding the Water Forum Successor Effort (hereinafter referred to as “WFSE”) activities (based upon their number of active water connections as of December 31, 2013, or a negotiated amount), as set forth below for the period of July 1, 2014 to June 30, 2015.

<u>Cost-Sharing Partners</u>	<u>Cost Share Amounts</u>
Sacramento County - Zone 13	\$477,813
City of Sacramento	264,362
City of Roseville	78,217
City of Folsom	37,933
Placer County Water Agency	19,827
Sacramento Municipal Utility District	17,107
San Juan Water District in Placer County	13,522
El Dorado County Water Agency	9,180
Total	\$917,961

Section II.

Reimbursement: The Sacramento City-County Office of Metropolitan Water Planning (hereinafter referred to as “CCOMWP”) shall administer all consultant agreements and other expenses incurred during FY2014/2015 for the WFSE. The parties agree to reimburse the CCOMWP for their share of such costs, up to the amount set forth for each party in Section 1, above, within 30 days after receipt of invoices.

On behalf of the CCOMWP, the City of Sacramento Finance Department will invoice each cost-sharing partner at the beginning of each fiscal year quarter, except in those instances where the cost-sharing partners have mutually agreed to be invoiced in another time period (i.e. one annual invoice). It is understood and agreed that although this agreement only pertains to reimbursement for costs incurred during the period from July 1, 2014 to June 30, 2015, the WFSE will extend past June 30, 2015. Any reimbursement of costs incurred by CCOMWP after June 30, 2015 would be governed by a new or amended cost-sharing agreement.

Section III.

Sacramento Municipal Utility District and the El Dorado County Water Agency: Sacramento Municipal Utility District (SMUD) and the El Dorado County Water Agency (EDCWA) have entered into separate agreements with the City of Sacramento (on behalf of the Sacramento City-County Office of Metropolitan Water Planning and the Water Forum Successor Effort) to pay their share of the costs identified in Section II, above, up to the amounts set forth for SMUD and EDCWA, respectively, in Section 1, above.

Section IV.

Changes in Terms: Any changes in the terms of this agreement shall be approved by all parties and shall be effective when reduced to writing and signed by all parties.

Section V.

Indemnity: Each party shall, to the fullest extent allowed by law, indemnify, hold harmless and defend the other party or parties, its officers and employees from any actions, liability or other expenses (including reasonable attorney fees) for any damages or injury to persons or property, occurring by reason of any negligent or wrongful act or omission by the indemnifying party, its officers or employees under this agreement.

Section VI.

Independent Contractors: All contractors employed during any phase of the Water Forum Successor Effort are independent contractors. Contractor employees assigned to perform contract work related to the Water Forum Successor Effort are and will remain employees of the contractor and will not be considered employees of any of the signatory agencies for any reason.

Section VII.

Single Agreement: This Interagency Agreement may be signed in multiple counterparts, which together will constitute a single Interagency Agreement.

This agreement is executed as follows:

Sacramento County Water Agency,
an agency created pursuant to the Sacramento County Water Agency Act

By: _____

Date: _____

Print Name: _____

Title

APPROVED AS TO FORM:

By: _____

Date: _____

Print Name: _____
County Counsel

ATTEST:

By: _____

Date: _____

Print Name: _____
Clerk of the Sacramento
County Water Agency

Section VII.

Single Agreement: This Interagency Agreement may be signed in multiple counterparts, which together will constitute a single Interagency Agreement.

This agreement is executed as follows:

Sacramento County

By: _____

Date: _____

Print Name: _____

Title

APPROVED AS TO FORM:

By: _____

Date: _____

Print Name: _____

County Counsel

ATTEST:

By: _____

Date: _____

Print Name: _____

Clerk of the Board of Supervisors

Section VII.

Single Agreement: This Interagency Agreement may be signed in multiple counterparts, which together will constitute a single Interagency Agreement.

This agreement is executed as follows:

City of Sacramento, a municipal corporation

By: _____

Date: _____

Print Name: _____

Title: _____

For: John F. Shirey, City Manager

APPROVED AS TO FORM:

By: _____

Date: _____

Print Name: _____
Deputy City Attorney

ATTEST:

By: _____

Date: _____

Print Name: _____
City Clerk

Section VII.

Single Agreement: This Interagency Agreement may be signed in multiple counterparts, which together will constitute a single Interagency Agreement.

This agreement is executed as follows:

City of Roseville, a municipal corporation

By: _____

Date: _____

Print Name: _____

City Manager

ATTEST:

By: _____

Date: _____

Print Name: _____

City Clerk

APPROVED AS TO FORM:

By: _____

Date: _____

Print Name: _____

City Attorney

APPROVED AS TO SUBSTANCE:

By _____

Date: _____

Print Name: _____

Environmental Utilities Director

Section VII.

Single Agreement: This Interagency Agreement may be signed in multiple counterparts, which together will constitute a single Interagency Agreement.

This agreement is executed as follows:

City of Folsom, a municipal corporation

By: _____

Date: _____

Print Name: _____
City Manager

APPROVED AS TO CONTENT:

By: _____

Date: _____

Print Name: _____
Director of Utilities

APPROVED AS TO FUNDING:

By: _____

Date: _____

Print Name: _____
Director of Finance

APPROVED AS TO FORM:

By: _____

Date: _____

Print Name: _____
City Attorney

ATTEST:

By: _____

Date: _____

Print Name: _____
City Clerk

Section VII.

Single Agreement: This Interagency Agreement may be signed in multiple counterparts, which together will constitute a single Interagency Agreement.

This agreement is executed as follows:

Placer County Water Agency

By: _____

Date: _____

Print Name: _____

Chair, Board of Directors

ATTEST:

By: _____

Date: _____

Print Name: _____

Clerk, Board of Directors

APPROVED AS TO FORM:

By: _____

Date: _____

Print Name: _____

Agency Counsel

Section VII.

Single Agreement: This Interagency Agreement may be signed in multiple counterparts, which together will constitute a single Interagency Agreement.

This agreement is executed as follows:

San Juan Water District

By: _____

Date: _____

Print Name: _____

FUNDING AGREEMENT FOR FISCAL-YEARS 2014-2015, 2015-2016 AND 2016-2017 OF THE WATER FORUM PROCESS

THIS FUNDING AGREEMENT (hereinafter "Agreement") is entered into on _____, 2014, between El Dorado County Water Agency, hereinafter "Agency" (on behalf of itself, Georgetown Divide Public Utility District and El Dorado Irrigation District, hereinafter collectively referred to as the "El Dorado Interests"), and the City of Sacramento, hereinafter "City" (on behalf of the Sacramento City-County Office of Metropolitan Water Planning and the Water Forum).

Agency and City hereby agree as follows:

1. Agency shall pay City the amount of **\$9,180 (Nine-thousand, nine dollars)** to fund activities by the Water Forum from July 1, 2014 to June 30, 2015 on behalf of the El Dorado Interests. This funding represents 1% of the Water Forum's fiscal year 2014-2015 revenue budget. This payment shall be made within 30 days after the execution of this agreement by both parties, or as otherwise agreed by the parties.
2. Agency further agrees, for Fiscal-Years 2015-2016 and 2016-2017, to provide funding for activities by the Water Forum in each such fiscal year in an amount that is at least as much as Agency's Fiscal-Year 2014-2015 funding level specified in Paragraph 1, above, subject to the following conditions:
 - a. The amount of funding provided by Agency under this Agreement for Fiscal-Years 2015-2016 and 2016-2017 shall not exceed the sum appropriated for this purpose in the approved Agency budgets for each of these fiscal years, respectively. In the event of an adoption of a future Agency budget that does not provide the required funding or if the Agency Board of Directors in its sole discretion shall in the course of a given year for financial reasons eliminate the Agency budget item under which the Water Forum is to be compensated, then upon written notice thereof from Agency to City, this Agreement shall be deemed to be canceled in its entirety subject to payment of authorized services performed prior to cancellation.
 - b. Agency shall pay City the Agency's funding for Fiscal-Years 2015-2016 and 2016-2017 as authorized herein within 30 days after the beginning of each Fiscal-Year, respectively.
3. Unless canceled pursuant to subparagraph 2(a) above, this Agreement may be terminated upon thirty (30) days' written notice by either party, subject to payment for authorized services performed before termination.

This Agreement constitutes the entire agreement between the parties, and supersedes all prior agreements or representations with respect to the subject matter herein. This

Agreement may be modified only by a writing signed by both parties. Signatories hereto represent and warrant that they are fully authorized to bind the parties to this Agreement. Executed as of the day and year first above stated.

EL DORADO COUNTY WATER AGENCY

Chair, Board of Directors

Date Signed

ATTEST:

Clerk of the Agency

Date Signed

APPROVED AS TO FORM:

Agency Counsel

Date Signed

CITY OF SACRAMENTO
A Municipal Corporation

Date Signed

Print or type name and title

APPROVED AS TO FORM:

Deputy City Attorney

Date Signed

ATTEST:

Sacramento City Clerk

Date Signed

**Interagency Agreement
For Cost-Sharing the FY2014-2015 Habitat Management Element Budget of the
Sacramento City-County Office of Metropolitan Water Planning**

THIS AGREEMENT is made and entered into on _____ by and among Sacramento County; Sacramento County Water Agency; and the City of Sacramento on behalf of the Sacramento City-County Office of Metropolitan Water Planning.

The parties to this agreement, in consideration of the mutual obligations set forth herein, agree as follows:

Section I.

Cost-Sharing: The cost-sharing partners of the Sacramento Region Water Forum identified below have agreed to pay a share of the total costs for funding the Habitat Management Element of the Water Forum Agreement, as set forth below, for the period of July 1, 2014 to June 30, 2015. These costs are determined according to the cost allocation principles established in the Water Forum Agreement, (Section IV Lower American River Habitat Management Element, subsection D, pages 85-88), as adjusted annually for inflation.

Habitat Management Element Cost Sharing Partners	Cost Share Amounts
Sacramento County Water Agency	\$399,501
City of Sacramento	<u>199,751</u>
Total	\$599,252

Section II.

Invoicing:

On behalf of the CCOMWP, the City of Sacramento Finance Department will invoice each cost-sharing partner at the beginning of each fiscal year quarter. It is understood and agreed that although this agreement only pertains to funding for the period from July 1, 2014 to June 30, 2015 the HME will extend past June 30, 2015. Any agreement regarding funding after June 30, 2015, would be governed by a new or amended cost-sharing agreement.

Section III.

Changes in Terms: Any changes in the terms of this agreement shall be approved by all parties and shall be effective when reduced to writing and signed by all parties.

Section IV.

Indemnity: Each party shall, to the fullest extent allowed by law, indemnify, hold harmless and defend the other party or parties, its officers and employees from any actions, liability or other expenses (including reasonable attorney fees) for any damages or injury to persons or property, occurring by reason of any negligent or wrongful act or omission by the indemnifying party, its officers or employees under this agreement.

Section V.

Independent Contractors: All contractors employed during any phase of the agreement are independent contractors. Contractor employees assigned to perform contract work related to the HME are and will remain employees of the contractor and will not be considered employees of any of the signatory agencies for any reason. This agreement is executed as follows:

Sacramento County Water Agency,
an agency created pursuant to the Sacramento County Water Agency Act

By: _____

Date: _____

Print Name: _____

Title

APPROVED AS TO FORM:

By: _____

Date: _____

Print Name: _____
County Counsel

ATTEST:

By: _____

Date: _____

Print Name: _____
Clerk of the Sacramento
County Water Agency

Sacramento County

By: _____

Date: _____

Print Name: _____

Title

APPROVED AS TO FORM:

By: _____

Date: _____

Print Name: _____
County Counsel

ATTEST:

By: _____

Date: _____

Print Name: _____
Clerk of the Board of Supervisors

City of Sacramento, a Municipal Corporation

By: _____

Date: _____

Print Name: _____

Title: _____
For: John Shirey, City Manager

APPROVED AS TO FORM:

By: _____

Date: _____

Print Name: _____
Deputy City Attorney

ATTEST:

By: _____

Date: _____

Print Name: _____
City Clerk