



Metropolitan Water Planning

REPORT TO COUNCIL

City of Sacramento

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Sacramento City-County
Office of Metropolitan
Water Planning

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CONSENT

June 27, 2006

Honorable Mayor and
Members of the City Council

Subject: Fiscal Year 2006/07 Operating Budget for the Sacramento City-County Office of Metropolitan Water Planning (CCOMWP)

Location and Council District: Citywide

Recommendation:

Adopt the attached Resolution indicating approval of the FY2006/07 Operating Budget for the Sacramento City-County Office of Metropolitan Water Planning (CCOMWP).

Contact: Sarah Foley, Program Manager, 808-1997, Kathy Howard, Administrative Analyst 808-1995

Presenters: Not applicable

Department: Utilities

Division: Sacramento City-County Office of Metropolitan Water Planning (CCOMWP), Water Forum

Organization No.: 8810

Summary:

This report provides a description of the CCOMWP and information about its FY2006/07 operating budget.

Committee/Commission Action:

The Water Forum Coordinating Committee reviewed and approved the CCOMWP Budget and Work Plan for FY2006/07 on May 4, 2006. The operating budget was also approved by stakeholder representatives at their plenary meeting on May 18, 2006.

Background:

- A. The Water Forum is a diverse group of business and agricultural leaders, citizens groups, environmentalists, water managers, and local governments (including the City of Sacramento) in the Sacramento region that have joined to fulfill two co-equal objectives:
 - 1. Provide a reliable and safe water supply for the region's economic health and planned development to the year 2030; and
 - 2. Preserve the fishery, wildlife, recreational, and aesthetic values of the lower American River.
- B. In 1999, after six years of intense interest-based negotiation, forty Water Forum members (including the City of Sacramento) approved a comprehensive Water Forum Agreement (WFA) (City Agreement 2001-222).
- C. The WFA consists of integrated actions necessary to provide a regional solution to water shortages, environmental damage, groundwater contamination and limited economic prosperity. To make the WFA work over time, the stakeholders created the Water Forum Successor Effort (WFSE).
- D. City Manager Agreement 2001-005 established the City-County Office of Metropolitan Water Planning (CCOMWP) to provide staffing and administrative support for the WFSE to the year 2030. Its objective is to promote the implementation and continued vitality of the WFA. It also specifies that all administrative arrangements of the CCOMWP will be processed according to the City of Sacramento's established policies and procedures.

Financial Considerations:

The CCOMWP operating budget for FY2006/07 is \$1,425,327. This includes activities for the two co-equal objectives of the Water Forum Agreement:

Water Forum Successor Effort \$901,589 (Fund 513) -

Funding for the WFSE portion is 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 EDCWA has negotiated a Specific Agreement, it 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 FY2006/07 operating budget (Fund 513):</u>	
County of Sacramento – Zone 13 (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)	\$464,868
City of Sacramento	271,103
City of Roseville	73,171
City of Folsom	35,631
Placer County Water Agency	20,436
San Juan Water District, (Placer County Service Area)	13,966
Sacramento Municipal Utility District	13,398
El Dorado County Water Agency	<u>9,016</u>
Total:	\$901,589

The City of Sacramento's cost-share amount is \$271,103 for the WFSE budget and is included in the Department of Utilities FY2006/07 budget within its Water Fund (413) adopted by the Sacramento City Council on June 13, 2006. 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 FY2006/07 WFSE budget are:

- \$126,000 for technical consultant services;
- \$236,433 for other services/supplies including office rent and indirect costs paid to the City;
- \$157,925 for other professional services including mediation/facilitation and public outreach; and
- \$381,231 for staff salaries and benefits.

Habitat Management Element (HME) of the Water Forum Agreement \$523,738 (Fund 514)

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 HME budget for lower American River projects 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.

Cost-sharing partners for the HME FY2006/07 operating budget (Fund 514):

County of Sacramento – Zone 13 (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)	\$312,914
City of Sacramento	156,456
Golden State Water Company	15,040
City of Folsom	11,280
HME Fund Balance (514)	10,000
City of Roseville	9,400
San Juan Water District in Placer County	<u>8,648</u>
Total:	\$523,738

For FY2006/07, the City's portion is \$156,456 for the HME and is included in the Department of Utilities operating budget within the Water Fund (413) adopted by the Sacramento City Council on June 13, 2007. The County's portion, \$312,914 is included as a part of the SCWA's Zone 13 budget.

The WFA describes the cost-sharing among the Water Forum purveyors for the Habitat Management Element. Contributions by the City of Sacramento and County of Sacramento were initially set at \$125,000 annually and \$250,000 annually, respectively. These contributions are adjusted each year for inflation as set by the January issue of the "Engineering News Record" published construction Cost Indexes for US - 20 Cities Average and for the San Francisco Bay Area. The Annual adjustment index is calculated using the average of the cost indexes for these two areas, currently 1.0395 CPI, this is multiplied by the FY2005/06 contribution.

For FY2006/07, Golden State Water Company will contribute \$3.00 per acre-foot of water purchased from SMUD as replacement water for supplies lost to groundwater contamination. The projected total contribution is \$15,040.

In addition, other purveyor signatories to the WFA that divert non-Central Valley Project (CVP) water from the American River will pay into the HME Fund. The cities of Folsom and Roseville, Placer County Water Agency and the San Juan Water District in Placer County agreed to contribute \$3 per acre-foot to the HME for increased diversions of non-CVP water over their baseline amounts. These contributions are also adjusted each year for inflation by the same method as described above.

The major expenditures projected for the FY2006/07 HME budget include:

The major expenditures projected for the FY2006/07 HME budget include:

- \$415,000 for professional services and supplies including technical consultant services for the completion of a flow management standard for the lower American River, implementation of the Fisheries and In-Stream Habitat (FISH) Plan and consulting and mediation/facilitation.

Environmental Considerations:

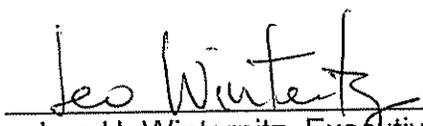
Not applicable.

Policy Considerations:

The CCOMWP's FY2006/07 operating 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 Agreement 2001-005)

Emerging Small Business Development (ESBD):

No goods or services are being purchased under this report.

Respectfully submitted: 
Leo H. Winternitz, Executive Director

RECOMMENDATION APPROVED:

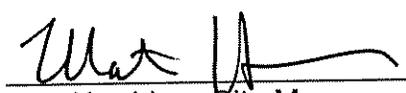

Ray Kerridge, City Manager

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RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

**APPROVE THE FY2006/07 OPERATING BUDGET
FOR THE SACRAMENTO CITY-COUNTY OFFICE OF
METROPOLITAN WATER PLANNING (CCOMWP)**

Background:

- A. The Water Forum is a diverse group of business and agricultural leaders, citizens groups, environmentalists, water managers, and local governments (including the City of Sacramento) in the Sacramento region that have joined to fulfill two co-equal objectives:
1. Provide a reliable and safe water supply for the region's economic health and planned development to the year 2030; and
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- D. City Manager Agreement 2001-005 established the City-County Office of Metropolitan Water Planning (CCOMWP) to provide staffing and administrative support for the WFSE to the year 2030. Its objective is to promote the implementation and continued vitality of the WFA. It also specifies that all administrative arrangements of the CCOMWP will be processed according to the City of Sacramento's established policies and procedures.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

Section 1.

Approve the CCOMWP operating budget for FY2006/07 in the amount of \$1,425,327. This includes revenue and expenditure activities for the Water Forum Successor Effort (\$901,589) and the Habitat Management Element of the Water Forum Agreement (\$523,738).

Section 2.

In order to establish a FY2006/07 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 FY2006/07 Revenue Budget for the City-County Office of Metropolitan Water Planning Fund for the WFSE is hereby established as follows:

513-880-8810	\$(901,589)
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- The FY2006/07 Expenditure Budget for the City-County Office of Metropolitan Water Planning for the WFSE is hereby established as follows:

513-880-8810	\$901,589
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Section 3.

In order to establish a FY2006/07 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 FY2006/07 Revenue Budget for the City-County Office of Metropolitan Water Planning Fund for the HME is hereby established as follows:

514-880-8810	\$(523,738)
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- The FY2006/07 Expenditure Budget for the City-County Office of Metropolitan Water Planning for the HME is hereby established as follows:

514-880-8810	\$523,738
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