REPORT TO COUNCIL
City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
November 6, 2007

Honorable Mayor and
Members of the City Council

Title: Agreement: American River Watershed Sanitary Survey Update

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** authorizing the City Manager to execute a Memorandum of Understanding with California State Prison at Folsom, Carmichael Water District, the City of Folsom, the City of Roseville, East Bay Municipal Utility District, El Dorado Irrigation District, Golden State Water Company, Placer County Water Agency, Sacramento County Water Agency, and San Juan Water District for the purpose of sharing costs of the 2008 update to the American River Watershed Sanitary Survey, for a total project cost not to exceed $175,000, and to provide the option for participating agencies to share costs of follow-up activities on a voluntary basis.

Contact: Dave Brent, Engineering Services Division Manager, (916) 808-1420; Bill Busath, Supervising Engineer, (916) 808-1434.

Presenters: Not applicable

Department: Utilities

Division: Engineering Services

Organization No: 3333

Description/Analysis

Issue: The California Surface Water Treatment Rule requires communities such as Sacramento that divert and treat surface waters for domestic water supplies to perform sanitary survey updates within their respective watersheds every five years. In response to this requirement, this report requests the City Council approve a resolution that adopts a Memorandum of Understanding (MOU) with ten other municipal water purveyors for the purpose of completing an American River Watershed Sanitary Survey Update for a total project cost not to exceed $175,000.

Policy Considerations: Adoption of the proposed MOU would provide an opportunity for the City and other water purveyors to work together in a cooperative manner and share the costs of this study, which otherwise would need to be performed individually. This report's recommendation is consistent with the City's Strategic Plan Goals of enhancing and preserving the neighborhoods, supporting the economic vitality of the area, and establishing and strengthening community and regional partnerships to enhance the quality of life.

Environmental Considerations: The Environmental Services Manager has determined that the adoption of a Memorandum of Understanding (MOU) for a sanitary survey update of the American River Watershed is exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to Section 15262 of the CEQA Guidelines. Exemption 15262 consists of a project involving only feasibility or planning studies for possible future actions.

Rationale for Recommendation: The City is required by the State of California Department of Health Services, Office of Drinking Water to comply with regulations passed in June 1991 requiring all water suppliers using surface water sources to complete a sanitary survey of their respective watershed(s) and to provide an update report every five years. By partnering with other water utilities with this same requirement and geographical area of interest, the City can cost effectively meet this regulatory requirement.

Financial Considerations: The MOU regarding contracting and apportionment of costs for a sanitary survey update of the American River watershed area and follow-up activities is for a total project cost not to exceed $175,000 for the watershed sanitary survey and up to $10,000 per year per participating agency for voluntary follow-up activities. The City's share of the watershed sanitary survey update is for an amount not to exceed $25,000, which includes services in addition to the cost shared work. The watershed sanitary survey update is funded in the FY2007-08 Water Capital Improvement Program Project (PN: ZF61, Fund 413), which has sufficient funding for the City's share.

Emerging Small Business Development (ESBD): Emerging and small business enterprise (ESBE) participation consistent with City policy will be included in any consultant services agreements administered by the City.

Respectfully Submitted by: _____
for Dave Brent
Engineering Services Division Manager

Approved by: _____
Gary A. Reents
Director of Utilities

Recommendation Approved:

_____
for Ray Kerridge
City Manager

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Attachment 1

Background

The California Code of Regulations, Title 22, Chapter 17 establishes the California Surface Water Treatment Rule (SWTR) which requires that all surface water suppliers conduct a sanitary survey of their watershed(s) at least once every five years. The first of these studies was required to be completed prior to January 1, 1996 or prior to issuance of a Department of Public Health (DPH) permit for a new or expanded surface water treatment facility, whichever comes first. In August 1993, the City and ten other municipal water purveyors in the American River watershed submitted a sanitary survey of the American River watershed to DPH; in December 1998 and 2003, the City and eleven other municipal water purveyors submitted the required updates of the sanitary survey to DPH. The next update to the sanitary survey is due to DPH by December 2008.

The main purpose of the sanitary survey requirement is to determine the degree of treatment required to assure to the greatest degree possible that water supplies are free of microbial and other types of contamination. To comply with this requirement and obtain the necessary information to determine required levels of treatment, sanitary surveys must provide a description of the watershed, identify potential sources of contamination within the watershed, describe watershed management practices, and assess the microbial contaminant load at the point where the raw water is diverted to the treatment plant.

Over the past six months, City staff has met or had discussions with representatives of California State Prison at Folsom, Carmichael Water District, City of Folsom, City of Roseville, East Bay Municipal Utility District, El Dorado Irrigation District, Golden State Water Company, Placer County Water Agency, Sacramento County Water Agency, and San Juan Water District to consider whether the SWTR sanitary survey requirements for the Fairbairn Water Treatment Plant and the other agencies' facilities can best be met through a jointly administered and financed project. This effort has resulted in the development of the Memorandum of Understanding (MOU) Regarding Contracting and Apportionment of Costs for a Sanitary Survey Update of the American River Watershed and Follow-up Activities. The other participating agencies have approved the MOU, with the exception of California State Prison at Folsom; California State Prison at Folsom has agreed in writing to its cost share of the project, but the State contracts office needs additional time to process the MOU.

The key provisions of the MOU are as follows:

- Provides for a Technical Committee to select the consultant, review consultant work products and discuss report recommendations.
- Provides for a cost sharing arrangement in which the total costs of the project would be apportioned based on equal sharing of administrative costs and technical evaluations by applicability to each participant. The City's share is one eleventh of the equal share portion and one ninth of the compliance evaluation portion of the project; the compliance evaluation is split between the nine participating agencies with water diversions on the American River.

- Provides for the City to be the lead agency in administration of the Consultant Services Agreement and for cost sharing of City staff costs for project management consisting of work of mutual benefit to the participating agencies.
- Provides the option for participating agencies to share costs of annual follow-up work in an amount up to $10k per agency, based on the results of the sanitary survey.

The water purveyors developed a proposed approach for completing the American River Watershed Sanitary Survey Update for DPH approval. The approach includes utilizing information previously collected in the original American River Watershed Sanitary Survey and the 1998 and 2003 Updates, optimizing use of information from watershed programs, providing updates on various sources of concern in the watershed, evaluating new data on sources and constituents of concern, determining required levels of treatment, and providing an updated set of recommendations. The City submitted a description of this approach and a draft report outline to DPH in August 2007, which was approved by DPH in September 2007. The cost share amounts per participating agency will be provided in an upcoming City Council report for approval of a consultant services agreement for preparation of the watershed sanitary survey report.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

MEMORANDUM OF UNDERSTANDING: AMERICAN RIVER WATERSHED SANITARY SURVEY UPDATE

BACKGROUND

A. The California Surface Water Treatment Rule requires the completion of an update to the American River Watershed Sanitary Survey by December 2008.

B. City staff has worked with ten other municipal water purveyors to develop a Memorandum of Understanding (MOU) that provides a cost effective approach to partner together to complete the watershed sanitary survey update requirement.

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

Section 1. The City Manager is authorized to execute a Memorandum of Understanding with California State Prison at Folsom, Carmichael Water District, the City of Folsom, the City of Roseville, East Bay Municipal Utility District, El Dorado Irrigation District, Golden State Water Company, Placer County Water Agency, Sacramento County Water Agency, and San Juan Water District for the purpose of sharing costs of the 2008 update to the American River Watershed Sanitary Survey, for a total project cost not to exceed $175,000, and to provide the option for participating agencies to share costs of follow-up activities on a voluntary basis.

MEMORANDUM OF UNDERSTANDING
REGARDING CONTRACTING AND APPORTIONMENT OF COSTS FOR
A SANITARY SURVEY UPDATE OF
THE AMERICAN RIVER WATERSHED AREA AND FOLLOW-UP ACTIVITIES

This Memorandum of Understanding (hereinafter "MOU") is entered into on _____, 2007, by and between California State Prison at Folsom (hereinafter "CSPF"), Carmichael Water District (hereinafter "CWD"), the City of Folsom (hereinafter "Folsom"), the City of Roseville (hereinafter "Roseville"), the City of Sacramento (hereinafter "Sacramento"), East Bay Municipal Utility District (hereinafter "EBMUD"), El Dorado Irrigation District (hereinafter "EID"), Golden State Water Company (hereinafter "GSWC"), Placer County Water Agency (hereinafter "PWCA"), Sacramento County Water Agency (hereinafter "SCWA"), and San Juan Water District (hereinafter "SJWD").

RECITALS

A. The purpose of this MOU is to memorialize an agreement and understanding of the foregoing parties (hereafter referred to as the "parties") with respect to apportionment of costs for the 2008 sanitary survey update of the American River Watershed Area and potential optional follow-up activities based on the survey results.

B. The parties each are required by the State of California Department of Health Services, Office of Drinking Water to comply with regulations passed in June 1991 requiring all water suppliers using surface water sources to complete a sanitary survey of their respective watershed(s) and to provide an update report every five years.

C. This sanitary survey update also will be used to complete the watershed portion of the sanitary survey required for all surface water users as part of the Federal Interim Enhanced Surface Water Treatment Rule passed in December 1998.

D. The parties believe it to be in their best interest, as well as the public's best interest, to enter into a contract with a consultant to conduct the sanitary survey update and to cooperatively and jointly share in the cost of this update.

E. Some of the parties also may desire to share costs of various follow-up source water protection activities based on the results of the sanitary survey update.

NOW THEREFORE, in consideration of the mutual obligations set forth herein, the parties agree as follows:

1. Technical Committee: The parties hereby form a Technical Committee consisting of one representative of each of the parties, as identified on the list titled: "American River Watershed Sanitary Survey 2008 Update - Representatives", attached hereto as Exhibit "A" and fully incorporated herein by this reference.

A representative named herein may, from time to time or permanently, designate an individual to act on the representative's behalf. Meetings of the Technical Committee may be attended by anyone authorized by any representative.

The purpose of the Technical Committee will be: a) to assist in the solicitation and selection of one or more individuals or firms to prepare a sanitary survey update on the American River Watershed area; b) to share information related to the contract negotiations and the technical work for the sanitary survey; c) to review consultant progress reports and work products for the sanitary survey; d) to discuss consultant recommendations concerning the sanitary survey; e) to take such other action as the Technical Committee deems appropriate to further the interest of the parties related to the American River Watershed sanitary survey.

The Technical Committee shall meet quarterly, or as needed, at the City of Roseville Environmental Utilities Department offices at 2005 Hilltop Circle, Roseville, California, Carmichael Water District's office at 7837 Fair Oaks Boulevard Carmichael, California, and at other such times and places as the Technical Committee may agree.

2. Decisions of Technical Committee: A minimum of 5 representatives shall constitute a quorum which shall be necessary for the Technical Committee to take action at any meeting.

   The parties expect and intend that decisions of the Technical Committee will be made by unanimous agreement of the representatives present at the meetings. In the event of disagreement over any decision, the representatives present will vote to resolve the disagreement, with each representative having one vote, and the vote of the majority of representatives present will be the decision of the committee.

   If a decision cannot be made by consensus or majority vote, as described above, then a meeting will be held between the representatives listed in Exhibit "A" to resolve the disagreement.

3. Selection of Consultant: Sacramento will act as the lead agency in contracting with one or more consultants to complete the sanitary survey. The one or more consultants will be selected by the Technical Committee. Selection will be in accordance with standard City of Sacramento consultant selection procedures.

4. Cost Sharing, Invoices: Sacramento will be responsible for administering the contract for the consultant services. It is understood and agreed, however, that the contract with the consultant will in part be a pass-through agreement, and the parties shall each pay a percentage of the contract amount, as agreed upon and shown below. The parties will also share project management costs incurred by Sacramento for activities of mutual benefit to the Committee, such as contract management, agency coordination, and oversight of the consultant, in a total amount not to exceed $5,000.

The parties' percentage shares of the contract and Sacramento project management costs are set forth in Exhibit "B", attached hereto and incorporated by this reference.

The estimated project costs are approximately $140,000. This MOU provides for an additional $35,000 to provide a contingency for unforeseen additional costs and a reasonable range of potential consultant costs. Any costs funded by such contingency also shall be paid in accordance with the percentage shares specified in Exhibit B.

Sacramento will invoice CSPF, CWD, Folsom, Roseville, EBMUD, EID, GSWC, PCWA, SCWA, and SJWD for consultant and project management costs. The parties within 45 days of the receipt of said invoice(s) shall remit their percentage share of said invoice(s), as shown above, to reimburse Sacramento for payment of the consultant and project management costs. Sacramento will make all reasonable efforts to provide said invoices on a quarterly basis.

Copies of consultant invoices will be distributed to the Technical Committee representatives on a quarterly basis, or upon request at any time. In the event one or more parties believes an invoice should not be paid in whole or in part, the dispute shall be resolved by the Technical Committee as set forth herein.

The parties agree to exercise good faith and diligence in the resolution of any disputed invoice amounts; provided, however, that notwithstanding any provision contained herein, Sacramento shall be reimbursed by each of the other parties for their respective percentage share of any and all money ultimately paid to the consultant by Sacramento.

The parties' percentage shares set forth in Exhibit B may only be changed by amendment to this MOU as provided in Section 9, below.

5. Price Ceiling: In no case shall the total value of costs shared pursuant to this MOU exceed $ 175,000, except by amendment of this MOU.

6. Additional Cost Sharing: Based on the results of the Update, the parties may wish to share in the costs of follow-up joint source water protection activities. Participation in such activities shall be at the option of each party, and for participating parties such activities shall be conducted and costs shall be shared as provided in this Section 6. For these activities, Sacramento will contract with the consultant(s) performing such activities and will provide project management and direction to such consultant(s), with input from the participating parties' Technical Committee representatives, who also shall review and approve an annual budget for the performance of such activities. A party's participation in such activities shall be confirmed in writing by the participating party's Technical Committee representative upon or before approval of the annual budget. The costs of each such activity will be split evenly among the participating agencies that benefit from such activity, as provided below:

- Watershed activities of mutual interest: benefits all parties to this MOU

- Watershed activities on the Lower American River: benefits CWD, Sacramento, EBMUD, GSWC, and SCWA

Notwithstanding any other provision of this MOU, no participating party shall be required to pay more than $10,000 during a fiscal year for its share of all additional activities under this Section 6, except as may be otherwise agreed in writing by each such participating party.

Sacramento will invoice the parties participating in such additional activities for each party's share of the applicable consultant and project management costs. Within 45 days of the receipt of said invoice(s), each participating party shall remit its payment of the invoice, to reimburse Sacramento for payment of the consultant and project management costs. Sacramento will make all reasonable efforts to provide the invoices on a quarterly basis, provided that a participating party shall have the option of making one advance payment for the entire calendar year.

Copies of consultant invoices will be distributed to the participating parties' Technical Committee representatives on a quarterly basis, or upon request at any time. In the event one or more participating parties believes an invoice should not be paid in whole or in part, the dispute shall be resolved by the participating parties' Technical Committee representatives.

The parties agree to exercise good faith and diligence in the resolution of any disputed invoice amounts; provided, however, that notwithstanding any provision contained herein, Sacramento shall be reimbursed by each of the other participating parties for their respective share of any and all money ultimately paid to the consultant(s) by Sacramento for the performance of additional activities and project management costs incurred by Sacramento.

7. Notices: Any invoice, payment, notice or other written communication related to this MOU will be provided to those representatives identified on Exhibit "A".

8. Term of MOU: This MOU shall be effective as of the date it is signed by all parties and shall remain in effect until a new MOU is in place for the 2013 update to the American River watershed sanitary survey, all services and contracts covered by this MOU have been completed and performed and all payments required under this MOU have been made, or until terminated by the mutual written agreement of all parties, whichever occurs first.

9. Amendments: Any amendments to this MOU must be in writing and executed by all parties.

10. Counterparts: This MOU may be executed by the parties in separate counterparts, each of which when so executed and delivered to Sacramento shall be an original, but all such counterparts shall together constitute but one and the same instrument. After signature pages are returned to Sacramento, copies of the complete MOU will be mailed to each party.

11. General Provisions: Each party understands and agrees that there is no agency or joint venture relationship between the parties. It is further understood and agreed by the parties that notwithstanding anything contained herein, the employees of each party shall continue to be entirely and exclusively under the direction, supervision and control of the employing party.

    With the exception of the agreed cost sharing of Sacramento project management costs, each party understands and agrees that any internal, in-house or administrative costs or expenses incurred by any party related to that party's obligations under this MOU shall be the sole responsibility of the party incurring said costs and expenses.

    This instrument and any attachments hereto constitute the entire MOU between the parties concerning the subject matter hereof.

****

CALIFORNIA STATE PRISON AT FOLSOM (CSFP)

Date: _____

By: _____
Title

ATTEST:

_____
Title

APPROVED AS TO FORM:

_____
Title

CARMICHAEL WATER DISTRICT (CWD)

Date: 8/20/07

By: Lynette S. Moreno
Lynette S. Moreno, Assistant Manager

ATTEST:

Steve Nugent
Steve Nugent, Secretary

CITY OF FOLSOM (Folsom)

Date: 7/26/2007

By: [signature], ACM for
Kerry L. Miller, City Manager

APPROVED AS TO CONTENT:

[signature]
Kenneth V. Payne, Utilities Director

APPROVED AS TO FORM:

[signature] ACA
FOR Bruce C. Cline, City Attorney

ATTEST:

Christa Schmidt 7.30.07
Christa Schmidt, City Clerk

CITY OF ROSEVILLE (Roseville)

Date: August 2, 2007

W. Craig Robinson, City Manager

APPROVED AS TO SUBSTANCE:

Derrick Whitehead
Environmental Utilities Director

ATTEST:

Sonia Orozco, City Clerk

APPROVED AS TO FORM:

Brita J. McNay, City Attorney

CITY OF SACRAMENTO (Sacramento)

Date: _____

By: _____
Title

ATTEST:

_____
Title

APPROVED AS TO FORM:

_____
Title Senior Deputy City Attorney

EAST BAY MUNICIPAL UTILITY DISTRICT (EBMUD)

Date: 8/8/07

By: Michael Tognolini
Michael Tognolini
Manager of Water Supply Improvements

ATTEST:

APPROVED AS TO FORM:

By: Dronica H. Fauntleroy
for the Office of the General Counsel

EL DORADO IRRIGATION DISTRICT (EID)

Date: 9/6/07 By: _____
Title

Reviewed & Approved on: 9/5/07 as to form
_____
EID General Counsel's Office

GOLDEN STATE WATER COMPANY (GSWC)

Date: 8/23/2007

By: _____
Title Vice President

ATTEST:

_____
Title

APPROVED AS TO FORM:

Robert J. Sprowls
Title CFO, SVP-Finance & Secretary

PLACER COUNTY WATER AGENCY (PCWA)

By: Lowell M. Jarvis
Chair, Board of Directors

Date: Aug. 16, 2007

ATTEST:

Cheri Sprunck
Clerk, Board of Directors

SACRAMENTO COUNTY WATER AGENCY (SCWA)

Date: _____ By: _____
Title

ATTEST: APPROVED AS TO FORM:

_____ _____
Title Title

SAN JUAN WATER DISTRICT (SJWD)

Date: Aug 17, 2007 By: _____
General Manager

ATTEST:

_____
Title Board Secretary

Exhibit A

American River Watershed Sanitary Survey 2008 Update - Representatives

Mr. Paul T. Schubert
District Manager
Golden State Water Company
3035 Prospect Park Dr., Suite 60
Rancho Cordova, CA 95670
(916) 853-3636/FAX 852-0171

Mr. Karim E. Noujaim
Associate Warden - Business Services
POB 910
Folsom, CA 95763
(916) 985-2561/FAX 351-3000

Mr. Steve Nugent
General Manager
Carmichael Water District
7837 Fair Oaks Blvd
Carmichael, CA 95608
(916) 483-2452/FAX 483-5509

Mr. Kenneth V. Payne
Utilities Director
City of Folsom
50 Natoma Street
Folsom, CA 95630
(916) 355-3573/FAX 351-5603

Mr. Derrick Whitehead
Director of Environmental Utilities
City of Roseville
Environmental Utilities Department
2005 Hilltop Circle
Roseville, CA 95747
(916) 774-5330/FAX 774-5690

Mr. Mike Yee
Plant Services Division Manager
City of Sacramento
Department of Utilities
1391 35th Avenue
Sacramento, CA 95822
(916) 264-5594/FAX 264-7955

Mr. Mike Tognolini
Manager, Water Supply Improvements Division
East Bay Municipal Utility District
POB 24055, MS 407
Oakland, CA 94623-1055
(510)287-1663/FAX (510)287-1295

Ms. Ane Deister.
General Manager
El Dorado Irrigation District
2890 Mosquito Road
Placerville, CA 95667
(530) 622-4513/FAX 622-1195

Mr. David Breninger
General Manager
Placer County Water Agency
POB 6570
Auburn, CA 95604
(530) 823-4859/FAX 823-4960

Mr. Keith DeVore, Department Head
Sacramento County Water Agency
827 7th Street, Room 301
Sacramento, CA 95816
(916) 874-6851/FAX 874-8693

Ms. Shauna Lorance
General Manager
San Juan Water District
9935 Auburn-Folsom Road
Granite Bay, CA 95746
(916) 791-0115/FAX 791-7361

Exhibit B

Participating Agencies	Cost Share (%)		
	Project Management (Consultant and Sacramento), and Watershed Evaluation, Water Quality Review, and Report Preparation (Consultant) (a)	Compliance Evaluation (Consultant) (b)	Supplemental Tasks (c)
CSPF	9.09	11.11	
CWD	9.09	11.11	
Folsom	9.09	11.11	
Roseville	9.09	11.11	
Sacramento	9.10	11.12	
EBMUD	9.09	---	
EID	9.09	11.11	
GSWC	9.09	11.11	
PCWA	9.09	11.11	
SCWA	9.09	---	
SJWD	9.09	11.11	

Notes:

(a) Equal share for consultant costs for project management, watershed evaluation, water quality review, and report preparation, and for City of Sacramento project management costs.

(b) Compliance evaluation costs split between nine participating agencies with existing American River diversions.

(c) Supplementary tasks to be split among appropriate participating agencies :

- Equal share for consultant costs for topics addressed in footnote (a) above
- Cost per applicable agency for compliance evaluation
- Contingency may be provided by specific participating agencies, for associated services such as additional copies of reports, special presentation of study results, or other related services.