



# REPORT TO COUNCIL

## City of Sacramento

# 13

915 I Street, Sacramento, CA 95814-2671  
www.CityofSacramento.org

CONSENT  
**October 11, 2005**

Honorable Mayor and  
Members of the City Council

**Subject:** FREEPORT REGIONAL WATER AUTHORITY REVISED OPTION AGREEMENT AND CITY'S ACQUISITION OF COUNTY PROPERTY

**Location/Council District:** On the Sacramento River near the southern City limits and the Folsom South Canal in Council Districts 7 and 8.

**Recommendation:**

Staff recommends that the City Council adopt the attached resolution to approve a revised Option Agreement for the Freeport Regional Water Authority's (FRWA) acquisition of City property for the FRWA water intake facility, the City's acquisition of County property for use as a City water intake and treatment facility and to amend the FY2005-06 Capital Improvement Program to add a new project titled Facility Relocation-Meadowview Project (XI66).

**Contact:** Gary A. Reents, Director of Utilities, 808-1433; David L. Brent, Engineering Manager, 808-1420

**Presenters:** Not Applicable

**Department:** Department of Utilities

**Division:** Engineering Services

**Organization No:** 3333

**Summary:**

On May 18, 2004, the City Council approved Resolution 2004-374, which authorized and directed the City Manager to execute an option agreement (the "2004 agreement") with the FRWA, East Bay Municipal Utility District (EBMUD), Sacramento County Water Agency and the County of Sacramento, for FRWA's acquisition of City property near Freeport for the FRWA water intake facility and the City's acquisition of County property near the Sacramento International Airport for water supply facilities. Since that time, FRWA staff has agreed to move FRWA's proposed intake facility 180 feet downstream from the location planned when the 2004 agreement was approved. The new site design results in a reduction of the size of the City property to be acquired by FRWA, from approximately 8 acres to approximately 7 acres, with a corresponding reduction in



the purchase price. Approval of the attached resolution will authorize the City Manager to sign a revised Option Agreement that makes these changes. The revised Option Agreement is on file in the Office of the City Clerk.

**Committee/Commission Action:** None.

**Background Information:**

The FRWA is a Joint Powers Authority (JPA) between EBMUD and Sacramento County formed for the purpose of constructing a water diversion facility on the Sacramento River and a conveyance pipeline east to the Folsom South Canal. The formation of the JPA and the agreement to divert water off the Sacramento River was the culmination of nearly 30 years of negotiations and litigation to move EBMUD's diversion off the lower American River. This agreement was reached on December 7, 2000 between the U.S. Bureau of Reclamation, EBMUD, County of Sacramento, environmental organizations, and the City of Sacramento, through the ongoing efforts of Senator Dianne Feinstein. The FRWA Project is consistent with the Water Forum Agreement's two coequal objectives of (1) providing a reliable and safe water supply for the region's economic health and planned development to the year 2030 and (2) preserving the fishery, wildlife, recreational, and aesthetic values of the Lower American River.

On May 18, 2004, the City Council adopted Resolution No. 2004-374, that, among other things, authorized the City Manager to execute the 2004 agreement, on the condition that the City Manager would not be authorized to do so unless and until the agreement had first been approved and executed by all the other agencies party to the agreement. The 2004 agreement was never approved and executed by Sacramento County, and, in accordance with the direction set forth in Resolution No. 2004-374, has not been executed on behalf of the City by the City Manager.

The 2004 agreement provided options to FRWA and the City, respectively, for FRWA's acquisition of City property to construct water intake facilities, and for the City's acquisition of Sacramento County property to construct water intake and water treatment facilities. The 2004 agreement included as exhibits two Sales and Purchase Agreements that established the terms and conditions for these two property acquisitions.

At the time Resolution No. 2004-374 was adopted, the City Council also approved the inclusion of language in the Sales and Purchase Agreement for FRWA's acquisition of City property that required FRWA staff to evaluate the relocation of FRWA's proposed water intake structure downstream to increase the distance between the proposed intake facilities and adjacent residents. This provision was included to address concerns expressed by City Councilmembers and residents regarding the proximity of the proposed intake to adjacent homes.

Since that time, FRWA staff, in consultation with State and Federal regulatory agencies, City representatives and others, have determined that it is feasible to move FRWA's

facilities closer to the levee (farther away from adjacent homes) and move the water intake facility approximately 180 feet downstream from the location planned when Resolution No. 2004-374 was adopted, and have prepared a revised site plan that incorporates these changes. The revised site plan results in a reduction of the size of the City property to be acquired by FRWA, from approximately 8 acres to approximately 7 acres, which results in a corresponding pro-rata reduction in the purchase price to be paid by FRWA.

City and FRWA staff have drafted revisions to applicable provisions of the 2004 agreement and the Sales and Purchase Agreement for FRWA's acquisition of City property, to formalize FRWA's obligation to construct its water intake facility farther downstream as shown on FRWA's revised site plan and to change the property description and purchase price for the City property to be conveyed to FRWA to reflect the revised site plan. These revisions are incorporated in a revised Option Agreement that includes as exhibits the revised Sales and Purchase Agreement for FRWA's acquisition of City property and the (unchanged) Sales and Purchase Agreement for the City's acquisition of Sacramento County property. The revised Option Agreement is on file in the Office of the City Clerk.

At the time this report was submitted, this revised Option Agreement was scheduled to be considered for approval by the Board of Directors for the Sacramento County Water Agency and the Sacramento County Board of Supervisors on September 20, 2005, the Board of Directors for the East Bay Municipal Utility District on September 27, 2005, and the FRWA Board of Directors at its next public meeting on October 13, 2005.

### **Financial Considerations:**

The only financial term changed in the revised Option Agreement is the pro-rata reduction of the purchase price for FRWA's acquisition of the City property from \$840,952 to \$725,535, to reflect the reduction in the size of the property to be conveyed. The \$725,535 received from the sale of the wastewater asset will be deposited in the Sewer Fund (414). As specified in the 2004 agreement, the revised Option Agreement provides the City the option to purchase Sacramento County's Airport Site 1 (water intake site) and Airport Site 2 (treatment facilities site) for \$550,000. Exercise of this option (subject to future environmental review) is available in the Water Fund (413). As further specified in the 2004 agreement, FRWA will make a payment of \$775,000 to the City to reconstruct existing facilities that will be demolished as part of the FRWA project. Therefore, staff requests that the FY2005/06 Capital Improvement Program Revenue and Expenditure budgets be amended to add the Facility Relocation-Meadowview Project (414-XI66) in the amount of \$775,000.

### **Environmental Considerations:**

FRWA is the lead agency, under the California Environmental Quality Act ("CEQA"), for the Freeport Regional Water Project that includes the construction of FRWA's water intake facilities on the City property to be conveyed to FRWA. The FRWA Board of Directors certified the Final Environmental Impact Report ("FEIR") and adopted its

Findings of Fact and Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program for this Project on April 15, 2004.

The City, acting as a responsible agency under CEQA with respect to the Freeport Regional Water Project, considered the FEIR certified by the FRWA Board of Directors, and considered the environmental effects of FRWA's Project as shown in the FEIR, when the City Council adopted Resolution No. 2004-374. At that time, the City Council also adopted the Findings of Fact and Statement of Overriding Considerations required of a responsible agency under applicable provisions of the CEQA Guidelines.

FRWA has prepared an Addendum to the FEIR (attached as Exhibit B) determining that no additional environmental review is required for construction of FRWA's water intake facilities in accordance with FRWA's revised site plan, because this will not result in any new or increased significant environmental effects that were not already analyzed in the FEIR and addressed by the Findings of Fact and Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program that already have been adopted.

As indicated in Resolution No. 2004-374, environmental review for the City's proposed intake and treatment plant in the vicinity of Sacramento International Airport currently is intended to be conducted as part of the Sacramento River Reliability Study, a multi-agency effort being conducted under the auspices of the U.S. Bureau of Reclamation. Under the terms of the revised Option Agreement (unchanged from the 2004 agreement), the City would not be allowed to exercise its option to acquire property from Sacramento County to construct these facilities unless and until the City Council has approved the environmental documentation required under CEQA for these facilities.

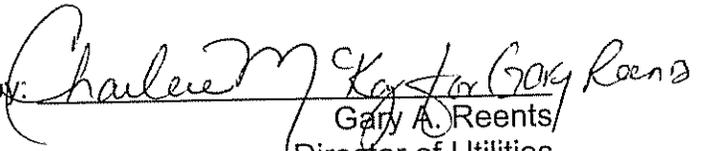
**Policy Considerations:**

Approval of the revised Option Agreement will formalize FRWA's commitment to move its proposed water intake approximately 180 feet downstream on the property to be acquired from the City, consistent with requests made by Councilmembers and City residents when the City Council conditionally authorized the City Manager to sign the 2004 agreement. The attached resolution rescinds this prior authorization and authorizes the City Manager to execute the revised Option Agreement instead.

**Emerging Small Business Development (ESBD):**

As no services or supplies are being purchased there are no ESBD issues.

Respectfully Submitted by:   
David L. Brent  
Engineering Manager

Approved by:   
Gary A. Reents  
Director of Utilities

Recommendation Approved:

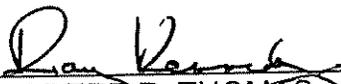
*For*   
ROBERT P. THOMAS  
City Manager

Table of Contents:

Pg	1-5	Report
Pg	6-12	Attachment 1 – Addendum to the Final EIR
Pg	13	Attachment 2 – Map
Pg	14-16	Resolution

Attachment 1

**ADDENDUM TO THE FINAL EIR FOR THE FREEPORT  
REGIONAL WATER PROJECT REVISED PURCHASE OPTION  
AND SALES AGREEMENT FOR INTAKE SITE**

**PURPOSE AND BACKGROUND**

The Freeport Regional Water Authority (FRWA) certified a Final Environmental Impact Report (FEIR) for the Freeport Regional Water Project (FRWP), on April 15, 2004 (Freeport Regional Water Authority 2004a). FRWA is implementing the FRWP to meet the following basic project purpose. The FRWP will:

1. provide up to 85-mgd of surface water to SCWA to be used in conjunction with groundwater to help meet future water supply needs in the central Sacramento County area; and
2. provide up to a 100-mgd, dry-year water supply to EBMUD customers to supplement aggressive water conservation and recycling programs and reduce the potential for severe water rationing and associated economic losses and hardships during drought periods;

Because the water supply for the project will be provided under contract with the U.S. Bureau of Reclamation (USBR), NEPA documentation was prepared concurrently for the project in the form of a combined Environmental Impact Report/Environmental Impact Statement. The Final Environmental Impact Statement (Final EIS) was prepared pursuant to the provisions of the National Environmental Policy Act (NEPA). The NEPA process was completed in January 2005.

The project included a raw water intake on the Sacramento River, the location of which is described in the EIR/EIS. The original location for the intake structure on the Sacramento River fully mitigated all the impacts identified in the Freeport Regional Water Project (FRWP) Final EIR/EIS. Based on direction from the Sacramento City Council, a study was conducted with the objective of evaluating the relocation of the intake facility from the position illustrated in the EIR/EIS, in accordance with FRWA Board directive, and in accordance with the Sales Agreement approved by the Sacramento City Council. Article 3.1.2 of the Sales Agreement states: "Consistent with City Council member's requests at the April 15, 2004 FRWA Board of Directors public hearing, FRWA will relocate the intake structure depicted in Exhibit C as far downstream on the City-owned property as allowed by State and Federal regulatory requirements". To comply with the intent of this agreement to minimize impacts on neighboring residences, the following minor changes to the intake site were agreed upon during negotiation of the purchase option and sales agreement between the City and Freeport Regional Water Authority:

- the size of the site has been reduced from 8 to 7 acres;
- FRWA facilities have been moved closer to the levee(away from the neighbors);
- the City flood-fighting facilities have been consolidated on existing City property near the water tower; and
- the intake has been moved 180 feet downstream

The purpose of this Addendum is to document that the adjusted location of the intake and other minor modifications of the site lay-out within the City-owned property do not result in any additional environmental impacts that were not considered in the original EIR/EIS. This Addendum has been prepared in accordance with Section 15164 of the California Environmental Quality Act (CEQA) Guidelines, which state that an Addendum to a previously certified EIR may be prepared if only minor technical changes or additions to the EIR are necessary. The USBR may use this Addendum for subsequent environmental review under NEPA.

## DESCRIPTION OF INTAKE POSITIONING

Positioning of the intake was evaluated in a report titled *Water Supply Intake Positioning Evaluation* (Freeport Regional Water Authority 2004b), hereinafter referred to as the *Intake Evaluation*. Information in this addendum is based on the evaluations presented in that report and on the new position of the intake recommended in that report. As a result of the *Intake Evaluation* it has been recommended that the intake be moved 180 feet downstream from the original location that was considered in the EIR/EIS. The environmental analysis in this Addendum addresses this intake positioning, which is described in more detail below. Figure 2-1 in the *Intake Evaluation* shows the original location of the intake and Figure 4-3 in the *Intake Evaluation* shows the currently proposed site of the intake, which is 180 feet downstream of the original site. Exhibit C from the Sales and Purchase Agreement between the Freeport Regional Water Authority, the City of Sacramento, the East Bay Municipal Utility District, and the Sacramento County Water Agency (which is attached to this document) shows the redesigned layout of the entire intake facility.

Permanent intake facilities on the river side of the levee include the pump station and actual intake structure, a sheet pile retaining wall, a fish screen, and a floating log boom. On the other side of the levee, permanent facilities include all of the pipes, power stations, sedimentation basins, air compressors and surge tanks, access routes, landscaping and an upgraded or new bridge over the Sump 28 drainage canal. These facilities are described in greater detail in the *Intake Evaluation*.

### Operation

The operation of the intake would be the same as described in the EIR/EIS. However, the new location provides less separation between the intake structure and the downstream City of Sacramento stormwater pump station (Sump 28) and outfall. In order to ensure that drinking water quality is protected, an operations agreement between FRWA and the City of Sacramento will be required. The City will need to agree to shut down the storm

drain discharge during low flow summer periods to avoid entrainment of storm water system discharge into the drinking water intake. The analysis in this addendum assumes that the City will operate the stormwater pump station in accordance with this operations agreement.

## **Construction**

Construction of the intake would be similar to the process described in the EIR/EIS. Temporary features include a cofferdam around the intake facility, a temporary backup levee, and access ramps on either end of the backup levee. :

## **ENVIRONMENTAL ANALYSIS**

The intake positioning evaluated in this Addendum is located entirely within the City-owned property that was previously addressed in certified EIR for the Freeport Regional Water Project. The conclusions in this Addendum are based on information contained in the certified EIR and the *Intake Evaluation* (Freeport Regional Water Authority 2004b). Following are conclusions for each impact category.

### **Hydrology, Water Supply and Power**

No new impacts have been identified. Hydrologic impacts within the Sacramento Basin would not be affected by the minor change in the location of the intake, and overall project impacts on water supply and power would not change. The *Intake Evaluation* considered potential flooding impacts on the Sacramento River associated with the adjusted intake location. Based on the results shown in Table 5-2 of the *Intake Evaluation*, the changes in intake position will not appreciably change water surface elevations in the River under high flow conditions. The intake is not in an area subject to seiches, tsunamis or mudflows. The positioning of the intake will not have adverse effects on the existing levee along the Sacramento River. With the proposed temporary levee and tie-in to the existing slurry wall with sheet pilings there would be no impact to levee integrity. There would be slightly more scour than with the original intake location, but this would be mitigated by use of armor, which eliminates local scour and erosion.

### **Water Quality**

No new impacts have been identified. Downstream water quality impacts would remain less than significant. Moving the intake closer to the City of Sacramento's stormwater pump station (Sump 28) and outfall has the potential for adverse water quality impacts to the raw water supply at the intake. The operation of the intake by FRWA and Stormwater Sump 28 by the City of Sacramento Department of Utilities would need to be coordinated to ensure that essentially no stormwater from Sump 28 would enter the intake when both facilities were operating under low to negative (reverse) Sacramento River flow conditions. Based upon analysis conducted as part of the *Intake Evaluation*, at flows at or below 1000 cfs in the Sacramento River at Freeport Bridge, Sump 28 would cease discharging. This condition is expected to happen less than 5 percent of the time, and is expected to persist for periods of 1 to 5 hours at a time. If water levels in the sump

were to reach previously determined “high levels”, the sump pumps would automatically turn on (as they do currently) and the FRWA intake pumps would turn off until River flows returned to normal (above 1,000 cfs) or the sump turned off, whichever occurred first. This method of coordinated operation would become part of an operational agreement between FRWA and the City of Sacramento.

The project will comply with previously identified environmental commitments for this impact category, which include preparation of a Storm Water Pollution Prevention Plan to ensure that there are no adverse effects on water quality during intake construction. This would ensure that there would be no significant impacts.

### **Fish**

No new impacts have been identified. The relocated intake would still be positioned so as to minimize fishery impacts. The intake would be designed to minimize sediment intake and to meet maximum intake velocity criteria. Design would still include a fish screen. Armoring would be included as necessary to avoid scour, but would be minimized to ensure that fish habitat in the vicinity of the intake is not adversely affected. Downstream fisheries impacts would not be affected by the intake positioning and would remain less than significant.

### **Recreation**

No new impacts have been identified. The proposed site for the intake would be similar to that described in the EIR in terms of its encroachment on the river, and it is not expected that this change would have adverse effects on recreation. Potential for temporary disruption during construction of the intake would remain the same and would be subject to the same Environmental Commitments for establishing detours for the recreation trail along the levee. Impacts would remain less than significant.

### **Wildlife, Vegetation and Wetland Resources**

No new impacts have been identified. The proposed site of the intake would affect similar resources within the City-owned site. The Department of Fish and Game has indicated that the proposed intake location would not have significantly different impacts than original location evaluated in the EIR/EIS. The U.S. Fish and Wildlife Service also agrees that the proposed intake site would not have a significant potential to affect terrestrial species. Wetland impacts would be mitigated in the same fashion proposed for the original location. All facilities would still be subject to mitigation described in the Mitigation Monitoring and Reporting Program for protection of sensitive species, which would result in less than significant impacts.

### **Geology, Soils, Seismicity, and Groundwater**

No new impacts have been identified. The intake is not located near a fault zone, and is in a level area not subject to landslides. The area of the intake along the Sacramento River could be subject to liquefaction, and this risk would not change with the proposed site. The change in the intake location does not affect extraction or use of groundwater

and would thus not cause subsidence of land. Intake positioning would not affect groundwater levels or gradients. The project will include appropriate seismic safety design features, which would reduce all impacts to less than significant.

### **Land Use**

No new impacts have been identified. The intake and associated facilities would still be located within the same City-owned site, and would be located further from adjacent residential uses. The project will comply with previously identified environmental commitments and mitigation measures for traffic, noise, air quality and visual impacts of construction, which would address the construction-period land use impacts. Land use impacts would be less than significant.

### **Agricultural Resources**

No new impacts have been identified. The intake facilities would be positioned within the City-owned site, and would not affect agricultural lands.

### **Traffic and Transportation**

No new impacts have been identified. Construction of the proposed intake facilities would generate the same level of construction traffic as the original location. Before the start of construction, a traffic control plan will be prepared for the project, including the intake facilities. The project will comply with previously identified Environmental Commitments, which would reduce impacts to less than significant.

### **Air Quality**

No new impacts have been identified. Sensitive receptors would be the same as for the original intake location, but the intake and associated structures would be located farther from the nearby residences. These uses could still be affected by short-term construction-related emissions and dust. The project would generate minor operational emissions associated with materials delivery traffic and employee travel, and odor problems are not expected to be associated with intake operation. The project will comply with previously identified construction-period mitigation measures for air quality. With this mitigation there would be no significant impacts.

### **Noise**

No new impacts have been identified. Sensitive receptors would be the same as for the original intake location, but the intake and associated FRWA facilities would be located farther from the nearby residences. Thus both construction and operational noise associated with the proposed intake site would be slightly less at nearby receptors than noise levels from the original location. The project will comply with previously identified noise control measures for construction and operational noise impacts and will comply with commitments to keep noise from the intake at or below current background levels and to comply with City noise ordinances. The EIR/EIS determined that exposure

construction noise would a significant unavoidable impact; this impact would be reduced with the proposed facility locations, but would remain significant.

### **Public Health and Safety**

No new impacts have been identified. The project will comply with adopted protocols for handling any contaminated materials that might be uncovered during construction activities. The project will comply with all other previously identified environmental commitments for this impact category, which included preparation of a Phase I Site Assessment for the intake site. Storage of sodium hypochlorite at the intake site would be handled in the same manor as described in the EIR/EIS. There would be no significant impacts.

### **Visual Resources**

No new impacts have been identified. FRWA is committed to a process that includes public participation in the development of the architectural design of the intake facility. The location of the intake is part of an overall site design that includes a landscape buffer between the project facilities and adjacent residences, and that preserves views from the Sacramento River. Facilities associated with the intake have been moved farther away from residences, thus reducing visual impacts. Impacts would be less than significant.

### **Cultural Resources**

No new impacts have been identified. Intake positioning would not affect any known cultural resources. The project will comply with previously identified mitigation measures for cultural resources, which are detailed in the Mitigation Monitoring and Reporting Program. The project will meet requirements of Section 106 of the National Historic Preservation Act, ACHP Regulation 36 CFR Part 800: Protection of Historic Properties. Monitoring at appropriate locations will be conducted to ensure that historic and archaeological resources are protected. With mitigation impacts would be less than significant.

### **Cumulative Impacts**

No new impacts have been identified. The intake positioning would not increase environmental impacts and would reduce some of the impacts on residences located adjacent to the intake site.

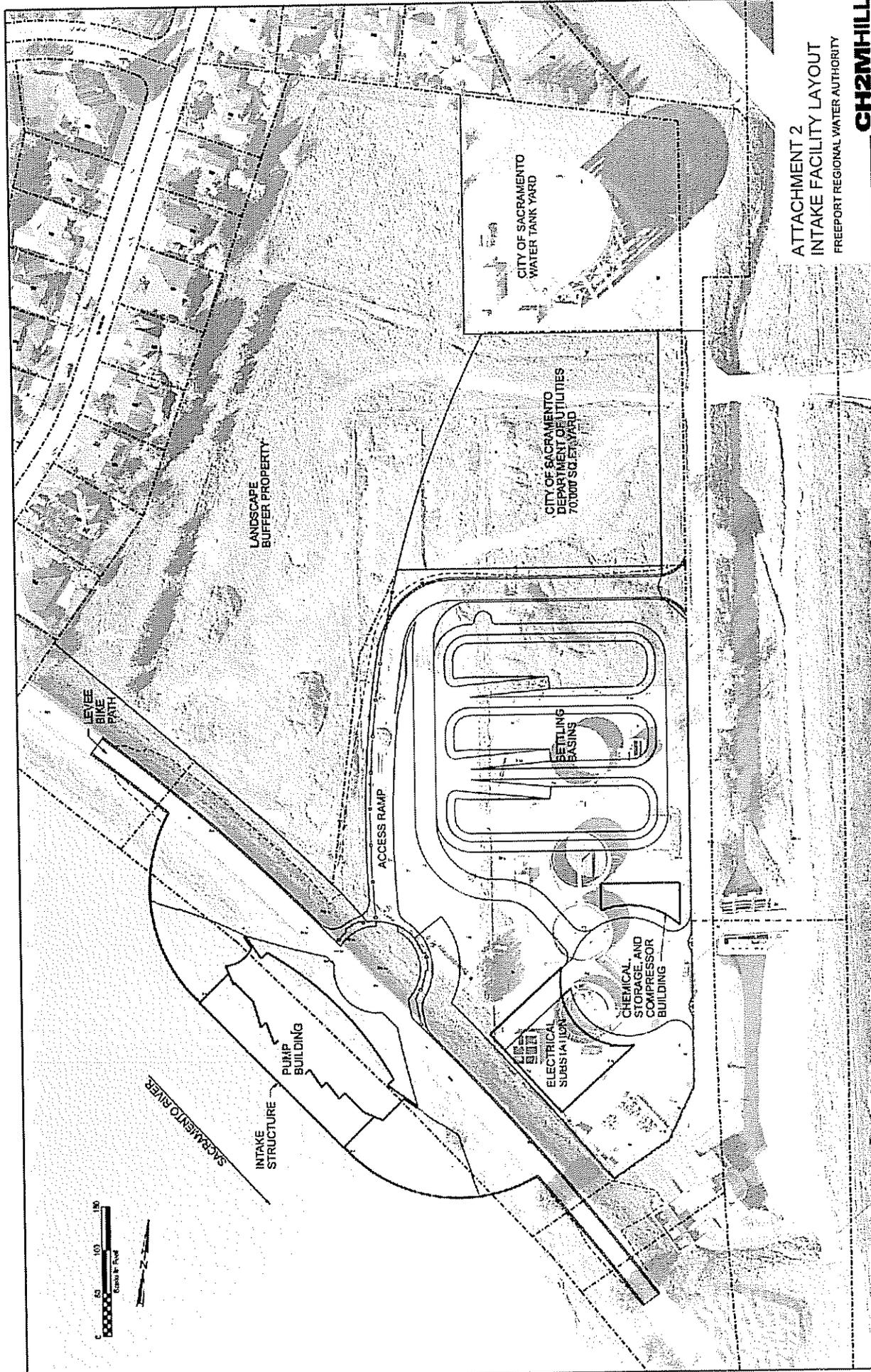
### **Conclusions**

The proposed additional intake positioning and site redesign would not result in any new environmental impacts that were not previously identified in the certified EIR for the project. The project will comply with all appropriate mitigation measures that have already been identified and incorporated into the FRWP Mitigation Monitoring and Reporting Program. Pursuant to Section 15164 of the CEQA Guidelines, the minor changes made to the project by the intake positioning do not raise important new issues about significant impacts on the environment.

## REFERENCES

Freeport Regional Water Authority 2004a. *Final EIR for the Freeport Regional Water Project*, April

Freeport Regional Water Authority 2004b. *Water Supply Intake Positioning Evaluation*, October



ATTACHMENT 2  
 INTAKE FACILITY LAYOUT  
 FREEPORT REGIONAL WATER AUTHORITY  
**CH2MHILL**

## Adopted by the Sacramento City Council

**RESOLUTION AUTHORIZING CITY MANAGER TO EXECUTE A REVISED OPTION AGREEMENT FOR ACQUISITION OF CITY PROPERTY FOR FREEPORT REGIONAL WATER AUTHORITY INTAKE FACILITY AND COUNTY PROPERTY FOR CITY WATER SUPPLY PROJECT****BACKGROUND**

- A. On May 18, 2004, the City Council adopted Resolution No. 2004-374, that adopted Findings of Fact and a Statement of Overriding Considerations and conditionally authorized the City Manager to execute an agreement entitled "Option Agreement For Acquisition Of City Property For Freeport Regional Water Authority Intake Facility And County Property For City Water Supply Project" (the "Proposed Option Agreement"), between the City, the Sacramento County Water Agency, the East Bay Municipal Utility District, Sacramento County and the Freeport Regional Water Authority ("FRWA").
- B. Resolution No. 2004-374 authorized and directed the City Manager to execute the Proposed Option Agreement, on the condition that the City Manager would not be authorized to do so unless and until the Proposed Option Agreement had first been approved and executed by all the other agencies party to the agreement. The Proposed Option Agreement was never approved and executed by Sacramento County, and, in accordance with the direction set forth in Resolution No. 2004-374, has not been executed on behalf of the City by the City Manager.
- C. The Proposed Option Agreement provided options to FRWA and the City, respectively, for FRWA's acquisition of City property to construct water intake facilities, and for the City's acquisition of Sacramento County property to construct water intake and water treatment facilities. The Proposed Option Agreement included as exhibits two Sales and Purchase Agreements that established the terms and conditions for these two property acquisitions.
- D. At the time Resolution No. 2004-374 was adopted, the City Council also approved the inclusion of language in the Sales and Purchase Agreement for FRWA's acquisition of City property that required FRWA staff to evaluate the relocation of FRWA's proposed water intake structure downstream to increase the distance between the proposed intake facilities and adjacent residents.
- E. Since that time, FRWA staff, in consultation with State and Federal regulatory agencies, City representatives and others, have determined that it is feasible to move FRWA's facilities closer to the levee (away from adjacent homes) and move the water intake approximately 180 feet downstream from the location planned when Resolution No. 2004-374 was approved, and have prepared a revised site design plan (the "Revised Site Plan") that incorporates these changes. The

Revised Site Plan results in a reduction of the size of the City property to be acquired by FRWA, from approximately 8 acres to approximately 7 acres, which results in a corresponding pro-rata reduction in the purchase price to be paid by FRWA.

- F. City and FRWA staff have drafted revisions to applicable provisions of the Proposed Option Agreement and the Sales and Purchase Agreement for FRWA's acquisition of City property, to formalize FRWA's obligation to construct its water intake facility farther downstream as shown on the Revised Site Plan and to change the property description and purchase price for the City property to be conveyed to FRWA to reflect the Revised Site Plan.
- G. These revisions are incorporated in the revised Option Agreement entitled "Option Agreement For Acquisition Of City Property For Freeport Regional Water Authority Intake Facility And County Property For City Water Supply Project," that includes the revised Sales and Purchase Agreement for FRWA's acquisition of City property and the Sales and Purchase Agreement for the City's acquisition of Sacramento County property attached thereto as exhibits. This revised Option Agreement is on file in the Office of the City Clerk.
- H. This revised Option Agreement was approved by the Board of Directors for the Sacramento County Water Agency and the Sacramento County Board of Supervisors on September 20, 2005, the Board of Directors for the East Bay Municipal Utility District on September 27, 2005, and is scheduled to be considered for approval by the FRWA Board of Directors at its next public meeting on October 13, 2005.
- I. FRWA is the lead agency, under the California Environmental Quality Act ("CEQA"), for the Freeport Regional Water Project that includes the construction of FRWA's water intake facilities on the City property to be conveyed to FRWA. The FRWA Board of Directors certified the Final Environmental Impact Report ("FEIR") and adopted its Findings of Fact and Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program for this Project on April 15, 2004.
- J. The City, acting as a responsible agency under CEQA with respect to the Freeport Regional Water Project, considered the FEIR certified by the FRWA Board of Directors, and considered the environmental effects of this Project as shown in the FEIR, when the City Council adopted Resolution No. 2004-374. At that time, the City Council also adopted the Findings of Fact and Statement of Overriding Considerations required of a responsible agency under applicable provisions of the CEQA Guidelines.
- K. FRWA has prepared an Addendum to the FEIR determining that no additional environmental review is required for construction of FRWA's water intake facilities in accordance with the Revised Site Plan, because this will not result in any new or increased significant environmental effects that were not already analyzed in the FEIR and addressed by the Findings of Fact and Statement of Overriding

Considerations and Mitigation Monitoring and Reporting Program that already have been adopted. The City, acting as a responsible agency under CEQA, has considered this Addendum and the determination made therein.

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

- Section 1. The City Council finds and determines that the recitals set forth above are true.
- Section 2. The City Council rescinds its authorization and direction, set forth in Section 4 of Resolution No. 2004-374, for the City Manager to execute the Proposed Option Agreement in the form that was on file with the Office of the City Clerk when Resolution No. 2004-374 was adopted. The remaining provisions of Resolution No. 2004-374 shall remain in effect.
- Section 3. The City Manager is authorized and directed to execute the revised "Option Agreement For Acquisition Of City Property For Freeport Regional Water Authority Intake Facility And County Property For City Water Supply Project" in the form presently on file in the Office of the City Clerk, on the condition that this authorization shall not be effective and the City Manager shall not execute this agreement unless and until the agreement has first been approved and executed by the Sacramento County Water Agency, the East Bay Municipal Utility District, Sacramento County and FRWA.
- Section 4. The FY2005-06 Capital Improvement Program Revenue and Expenditure budgets are hereby amended in the amount of \$775,000 to add the Facility Relocation – Meadowview Project (414-XI66).