Title: Agreements: Cost Sharing Fiscal Year 2018/19 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 for the Water Forum Successor Effort portion of the Sacramento City-County Office of Metropolitan Water Planning (CCOMWP, also known as the Water Forum) budget, 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 Sacramento Municipal Utility District (SMUD); and 2) an interagency cost share agreement for the Habitat Management Element portion of the CCOMWP budget 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

Attachments:
1-Description/Analysis
2-Agreement – Multiple Agencies
3-Agreement – County of Sacramento
4-Agreement – SMUD
Description/Analysis

Issue Detail: 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, also known as the Water Forum) and approved the Interagency Agreement (C1991-203) among the City of Sacramento, County of Sacramento, and Sacramento County Water Agency to form 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 (WFA).

Staff recommends Council approve the FY2018/19 cost sharing agreement. Under the current Interagency Agreement (C2001-005) governing operations of the CCOMWP, funding for the Water Forum Successor Effort (WFSE) and Habitat Management Element (HME) is provided by water suppliers who are signatories to the WFA.

Policy Considerations: Agreements with outside agencies must be approved by Council as an affected party. The WFA (C1999-222) approved in FY1999/00 includes a mechanism for a 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 WFA.

Economic Impacts: None.

Environmental Considerations: Continuing administrative activities and government fiscal activities do not constitute a project and are therefore exempt from CEQA review [CEQA Guidelines § 15378(b)(2) and (b)(4)].

Sustainability: Approval of the FY2018/19 WFSE and HME 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 March 22, 2018, and by the Water Forum Plenary on April 12, 2018.

Rationale for Recommendation: Approval of the FY2018/19 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) initially contributed $10,000; this contribution 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 WFA (page 87). The annual adjustment is calculated using the average for these two areas, currently 3.5%. SMUD renews its cost share agreement every five years; the current cost share agreement (C2013-0588) will expire on June 30 and this report requests authorization for a new five-year agreement.

2. The El Dorado County Water Agency (EDCWA) makes annual contributions based on a flat 1% of the total projected WFSE budget. The EDCWA renews its cost share agreement once every three years. Their current cost share agreement (C2017-0740) expires on June 30, 2020.

The WFA describes the cost-sharing process among the water purveyors for the HME on pages 86-87. Contributions by the City 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. 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’s total cost share offset of $498,089. These City funds are included in the FY2018/19 Department of Utilities Water Fund (6005) budget, subject to Council approval. The City’s contribution will provide $278,063 for WFSE services and programs in Fund 7103 and $220,026 for HME services and programs in Fund 7104 as program support transfers.

### Fund 7103

**Water Forum Successor Effort (WFSE) Cost Share Amounts:**

| Sacramento County - Zone 13 | 516,693 |
| City of Sacramento          | 278,063 |
| City of Roseville           | 88,213  |
| City of Folsom              | 41,778  |
| Placer County Water Agency  | 21,890  |
| Sacramento Municipal Utility District | 18,392 |
| San Juan Water District in Placer County | 14,426 |
| El Dorado County Water Agency | 9,893 |

**Total:** $989,348

### Fund 7104

**Habitat Management Element (HME) Cost Share Amounts**

| Sacramento County - Zone 13 | 440,051 |
| City of Sacramento          | 220,026 |

**Total:** $660,077

**Local Business Enterprise (LBE):** Not applicable.
Interagency Agreement  
For Cost-Sharing the Fiscal Year (FY) 2018/2019  
Water Forum Successor Effort 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; 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, 2017, or a negotiated amount), as set forth below for the period of July 1, 2018, to June 30, 2019.

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<thead>
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<td><strong>Total:</strong></td>
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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 FY2018/2019 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, 2018, to June 30, 2019, the WFSE will extend past June 30, 2019. Any reimbursement of costs incurred by CCOMWP after June 30, 2019, 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: Howard Chan, 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: _________________________
Andrew Fecko,
Director of Resource Development
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: _______________________

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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 (CCOMWP).

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, 2018, to June 30, 2019. 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.

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</table>

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, 2018, to June 30, 2019, the HME will extend past June 30, 2019. Any agreement regarding funding after
June 30, 2019, 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: Howard Chan, City Manager

APPROVED AS TO FORM:

By: _______________________  Date: ___________________
Print Name: _______________________
  Deputy City Attorney

ATTEST:

By: _______________________  Date: ___________________
Print Name: _______________________
  City Clerk
FUNDING AGREEMENT FOR FISCAL-YEAR 2019
AND SUBSEQUENT FISCAL YEARS FOR THE WATER FORUM PROCESS

THIS FUNDING AGREEMENT (hereinafter “Agreement”) is entered into on ________________, 2018, between Sacramento Municipal Utility District, hereinafter “SMUD”, and the City of Sacramento, hereinafter “City” (on behalf of the Sacramento City-County Office of Metropolitan Water Planning and the Water Forum).

SMUD and City hereby agree as follows:

1. SMUD shall pay City the amount of $18,392 (Eighteen thousand three hundred ninety-two dollars) to fund activities by the Water Forum from July 1, 2018, to June 30, 2019. This funding represents 1.84% of the Water Forum’s fiscal year 2018-2019 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. SMUD further agrees, for Fiscal-Years 2020, 2021, 2022, and 2023, to provide funding for activities by the Water Forum in each such fiscal year at a base amount of $10,000 plus an annual inflation rate adjustment as set by the annual “Engineering News Record” published Construction Cost Indexes for the United States, subject to the following condition:

   a. The amount of funding provided under this Agreement shall not exceed the sum appropriated for this purpose in the approved Fiscal Year 2020, 2021, 2022, and 2023 SMUD budgets. In the event of an adoption of a future SMUD budget that does not provide funding or if the SMUD Board of Directors shall in the course of a given year for financial reasons reduce the SMUD budget item under which the Water Forum is to be compensated, then in the sole discretion of the SMUD Board, this Agreement may be deemed to canceled in its entirety subject to payment for authorized services performed prior to cancellation.

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.

4. 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.