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RESOLUTION NO. 94-186

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF APR 0 5 1994


**RESOLUTION TO AUTHORIZE AND EXECUTE
A PROFESSIONAL SERVICES AGREEMENT WITH
JOHN FRESHMAN AND ASSOCIATES FOR AN
AMOUNT NOT TO EXCEED \$25,000**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO THAT:

1. The attached issues paper (Exhibit A) reaffirms the City's position with regard to its position on the City/USBR contract.
2. The City Manager and City Clerk are hereby authorized to sign and execute a professional services agreement with John Freshman and Associates in the amount of \$25,000.
3. Staff is further authorized to meet with USBR staff to continue efforts to obtain clarification of the City's USBR contract.


VICE MAYOR

ATTEST:


CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 94-186
DATE ADOPTED: APR 0 5 1994

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CITY OF SACRAMENTO REQUEST FOR
U.S. BUREAU OF RECLAMATION CONCURRENCE
IN THE INTERPRETATION OF CERTAIN
TERMS OF THE 1957 CITY/BUREAU
WATER RIGHTS SETTLEMENT AGREEMENT

BACKGROUND

- Water Rights and Entitlements: The City of Sacramento currently holds four American River and one Sacramento River water right permits that have a priority superior to Central Valley Project (CVP) permits. Under its permits, and a 1957 water rights settlement contract with the Bureau of Reclamation, the City diverts water from both the Sacramento and American Rivers. The Sacramento River diversion point is below the confluence of the Sacramento and American Rivers at its Sacramento River Water Treatment Plant.

- American River Water Diversion: Two of the City's four American River water rights permits specify the City's Sacramento River Water Treatment Plant as one of the authorized points of diversion for American River water. The City's 1957 contract with the Bureau provides that the City may divert water released from the Folsom Reservoir up to a maximum rate of 675 cubic feet per second (cfs) from the American River at the City's water diversion and treatment facilities on the American River below Nimbus Dam and above the American's confluence with the Sacramento River. As part of the contract, the City gives the Bureau the right to use that quantity of American River water to which it has rights but which exceeds the amounts specified in the Bureau contract (approximately 479,000 acre feet in 1994).

- Sacramento River Water Diversion: The City's water right permit for Sacramento River water limits the City's diversion to 225 cubic feet per second (cfs). This is consistent with the 1957 contract with the Bureau that further provides that the City's rate of diversion from the Sacramento River shall not exceed the 225 cfs limitation. The City/USBR contract further states that the rights of the City to use the water shall be governed by State law.

RESOLUTION 94-186

APR 05 1994

ISSUE

- **Future Water Needs:** Because of pressures on the City caused by increasing demands on the City's water supply due to urban growth, groundwater overdraft, and water quality issues, the City has embarked on a comprehensive review of its water supply including future demand, water conservation, and groundwater management. The City has concluded that overall its water rights are adequate to meet current and future needs and are also adequate to address , at least in part, the groundwater overdraft problem.

- **Water Management Flexibility is Required:** In order to maintain maximum flexibility to manage its water supply, the City would like to have the ability to divert part of its American River water from its Sacramento River Water Treatment Plant diversion point (which is down stream of its American River diversion point and, as mentioned above, below the confluence of the two rivers). Paragraph 35 of the 1957 contract anticipated the need to maintain operational flexibility by requiring the Bureau and City to confer and agree upon operational changes necessary to accomplish the maximum beneficial use of water under the contract.

- **Interpretation of the 1957 Contract:** The City of Sacramento is, therefore, seeking concurrence by the Bureau in the City's interpretation of the 1957 contract. As discussed above, the contract stipulates that the City's rate of diversion from the Sacramento River shall not exceed 225 (cfs). The City interprets this limitation to apply only to its diversion of Sacramento River permitted water. The City believes that the contract's 225 cfs limitation does not apply to American River permitted water diverted at the Sacramento River diversion point as authorized under State law by 2 of the City's American River water right permits. Such an interpretation will allow the City to meet its water needs with maximum flexibility.

- **Formal Response by the Bureau is Requested:** Before the City can implement its water management plans, the City would like the Bureau to review this issue and formally concur in the City's interpretation of the 1957 contract. Some Bureau staff have indicated that it will be necessary to amend the 1957 contract to allow American River permitted water to be diverted at both the City's American River and Sacramento River diversion points. The City does not agree with this position, and believes that the Bureau can and should provide a formal response to the City's request concurring in the City's interpretation of the 1957 contract.

- Consideration of a Minor Amendment: In the event that the Bureau rejects the City's position and refuses to concur in the City's interpretation of the 1957 contract, the City would be willing to consider a minor modification to the 1957 contract solely to clarify the point of diversion issue raised in the City's request for an interpretation. Although the City believes that modification of the contractual language is completely unnecessary, based on the City's interpretation of the 1957 contract, the City has provided Bureau staff with a proposal to make some very minor changes to the text of paragraphs 9, 10 and 23 of the 1957 contract which would clarify the point of diversion issue in a manner that is wholly consistent with the other provisions of the 1957 contract.

- Any Other Contract Amendment is Unacceptable: In order to safeguard the City's rights under the 1957 contract, any contract amendment making the minor modification discussed above would need also to include provisions guaranteeing that none of the substantive provisions of the 1957 contract would be affected, and a "saving" or "safety net" provision restoring the existing provisions of the 1957 contract in their entirety in the event that the amendment is set aside or rendered ineffective for any reason. Under no circumstances will the City consider any amendment of the 1957 contract which exceeds the scope of the minor modification discussed above by changing or modifying in any way any of the substantive provisions of the 1957 contract.



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01-03-94

DECLARATIONS PAGE - 1 OF 2

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STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY

1500 STATE FARM BLVD. CHARLOTTESVILLE, VA 22909.

POLICY NUMBER 609 3525-B03-46Q

POLICY PERIOD NOV-13-93 TO AUG-03-94

NAMED INSURED

46-2315-39 P

FRESHMAN, JOHN D
2353 N OAKLAND ST
ARLINGTON VA 22207-5141

DO NOT PAY PREMIUMS SHOWN ON THIS PAGE.
SEPARATE STATEMENT ENCLOSED IF AMOUNT DU

DESCRIBED VEHICLE	YEAR	MAKE	MODEL	BODY STYLE	VEHICLE IDENTIFICATION NUMBER	CLASS
1	89	PEUGEOT	505	STA WAG	VF3BF8163KS426514	1B30C
2	90	ACURA	LEGEND	4DR	JH4KA4657LC045146	1D303

COVERAGES (AS DEFINED IN POLICY)
SYMBOL-PREMIUM-COVERAGE NAME-LIMITS OF LIABILITY

SEE REVERSE SIDE FOR IMPORTANT MESSAGE

VEHICLE

1	AB-LIABILITY					
1	\$257.32	BODILY INJURY LIABILITY				
2	\$193.18	LIMITS OF LIABILITY-COVERAGE A				
			EACH PERSON, EACH OCCURRENCE	100,000	300,000	
		PROPERTY DAMAGE LIABILITY				
		LIMITS OF LIABILITY-COVERAGE B				
			EACH OCCURRENCE	50,000		
		C1-MEDICAL EXPENSE BENEFITS				
1	\$34.66	LIMIT OF LIABILITY-COVERAGE C1 - EACH PERSON	5,000			
2	\$20.69	LIMIT OF LIABILITY-COVERAGE C1 - EACH PERSON	5,000			
		D-COMPREHENSIVE				
1	\$56.09	D COVERAGE				
2	\$69.51	D COVERAGE				
		G-COLLISION				
1	\$114.90	G500 COVERAGE - \$500 DEDUCTIBLE				
2	\$96.48	G500 COVERAGE - \$500 DEDUCTIBLE				
		H-TOWING AND LABOR COSTS				
1	\$2.60					
2	\$2.60					
		U-UNINSURED MOTORISTS				
1	\$20.94	LIMITS OF LIABILITY-U-BODILY INJURY				
2	\$18.77	LIMITS OF LIABILITY-U-BODILY INJURY				
			EACH PERSON, EACH ACCIDENT	100,000	300,000	
		LIMITS OF LIABILITY-U-PROPERTY DAMAGE				
			EACH ACCIDENT	50,000		

\$887.74 TOTAL PREMIUM FOR POLICY PERIOD NOV-13-93 TO AUG-03-94
 VEHICLE 1 \$486.51 VEHICLE 2 \$401.23
 \$611.42 TOTAL CURRENT 6 MONTH PREMIUM FOR FEB-03-94 TO AUG-03-94
 VEHICLE 1 \$337.90 VEHICLE 2 \$273.52

MEMBERSHIP \$14.00

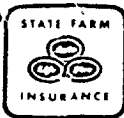
94-186 APR 05 1994

RESOLUTION

CONTINUED

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PLEASE ATTACH IT TO YOUR AUTO POLICY BOOKLET.

YOUR POLICY CONSISTS OF THIS PAGE, ANY ENDORSEMENTS, AND THE POLICY BOOKLET, FORM 9846F.8 PLEASE KEEP TOGETHER
REPLACED POLICY 6093525-46P



45PH6

01-03-94

DECLARATIONS PAGE - 2 OF 2

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1500 STATE FARM BLVD. CHARLOTTESVILLE, VA 22909

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FRESHMAN, JOHN D
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ARLINGTON VA 22207-5141

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COVERAGES (AS DEFINED IN POLICY)
SYMBOL-PREMIUM-COVERAGE NAME-LIMITS OF LIABILITY

SEE REVERSE SIDE FOR IMPORTANT MESSAGE

EXCEPTIONS AND ENDORSEMENTS

FINANCED- CAR 2 CHASE MANHATTAN SERVICE CORP, PO BOX 743248, DALLAS TX 75374.

CAR 2 6097Y.1 ADDITIONAL INSURED-LESSOR-CHASE MANHATTAN SERVICE CORP, PO BOX 743248, DALLAS TX 75374.

CAR 1,2
6191C.1

DISTRICT OF COLUMBIA EMPLOYEES USING AUTOMOBILES IN GOVERNMENT BUSINESS.

6256W.1

SOUND RECEIVING AND TRANSMITTING EQUIPMENT EXCLUDED.

6273H.6

SUPPLEMENTARY UNINSURED MOTORISTS INSURANCE.

6520.7

UNINSURED MOTORISTS INSURANCE.

6557.1

FEDERAL EMPLOYEES USING AUTOMOBILES IN GOVERNMENT BUSINESS.

6571A.2

VIRGINIA AMENDATORY ENDORSEMENT: CHANGE COVERAGES AND CONDITIONS.

6589

ASSISTANCE AND COOPERATION OF THE INSURED.

6778

OUT-OF-STATE INSURANCE.

6893B

AMENDMENT OF COVERAGE D.

6989AS

AMENDATORY ENDORSEMENT: CHANGES-NON-OWNED COVERAGE; POLICY CONDITIONS.

6520.8

UNINSURED MOTORISTS INSURANCE (VIRGINIA)-EFF FEB-03-94.

6571A.3

VIRGINIA AMENDATORY ENDORSEMENT-EFF FEB-03-94.

CAR 2

6104L

LOSS PAYABLE CLAUSE.

RESOLUTION

94-186

PAUL L. REIL
STATE FARM INSURANCE CO.
(W) 750-3113 (H) (703) 752-9560
5413-E Backlick road
Springfield, VA 22151

APR 05 1994

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AGENT: P L REIL
PHONE: (703) 750-3113

2315-39

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