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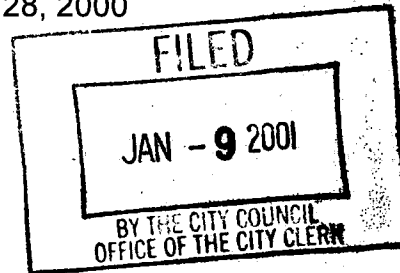
Department of Utilities  
Office of the Director

CITY OF SACRAMENTO  
CALIFORNIA

1395 35<sup>th</sup> Avenue  
Sacramento, CA 95822-2911  
phone (916) 264-1400  
fax (916) 264-1497/1498

December 28, 2000

City Council  
Sacramento, California



Honorable Members in Session:

**SUBJECT: WORKSHOP: EAST BAY MUNICIPAL UTILITY DISTRICT ISSUES**

**LOCATION AND COUNCIL DISTRICT: City-wide**

**RECOMMENDATION: This report is for information only.**

**CONTACT PERSONS: Jim Sequeira, Director of Utilities, 264-1407**

**FOR COUNCIL MEETING OF: January 9, 2001**

## SUMMARY

At the request of Senator Dianne Feinstein, representatives of the U.S. Bureau of Reclamation, the East Bay Municipal Utility District (EBMUD), Sacramento County, environmental organizations, and the City's Mayor and City Manager met in Washington DC on December 7, 2000 to discuss potential solutions to EBMUD's long standing need for a supplemental water supply. A significant breakthrough occurred during those discussions that may lead to mutually beneficial resolution. The potential solution is embodied in the willingness of the parties to study a Freeport diversion on the Sacramento River.

**COMMITTEE/COMMISSION ACTION: None**

## BACKGROUND INFORMATION

- For the past four years, the City has attempted unsuccessfully to facilitate an acceptable Joint Water Supply Project between Sacramento parties and the East Bay Municipal Utility District (EBMUD).



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January 9, 2001  
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- In June of 1999, the City, the County of Sacramento, and the Water Forum's environmental caucus proposed a modified project (aka the *Modified Proposal*) that would involve only EBMUD. Elements of this proposal include:
  - No diversions from Nimbus
  - A water diversion near 23rd and C Streets
  - Diversions permitted only when flows in river are above Hodge threshold<sup>1</sup>
  - No sales of water to parties other than Sacramento and San Joaquin
  - Diversions limited to 100 million gallons per day
  - Passage of state legislation to prohibit Nimbus diversions
  - \$5 million for community enhancements and purchase of parkway properties
- At their June 22, 1999 Board Meeting, EBMUD rejected the *Modified Proposal*.
- In late December 1999, the U.S. Bureau of Reclamation (USBR) asked the assistance of the Sacramento Parties in finding mutually satisfactory solutions to EBMUD's need for an American River water supply. They secured the services of a nationally known conflict management firm to ascertain whether further discussions between the parties might be fruitful.
- At Senator Feinstein's request, Mr. David Hayes, Deputy Secretary of the Department of the Interior, met with EBMUD and the Sacramento parties to explore possible steps to a mutually agreeable project.
- Subsequent meetings with EBMUD and the USBR were held on May 31<sup>st</sup>, June 12<sup>th</sup>, and June 26<sup>th</sup>. During this period EBMUD agreed to prepare a supplemental environmental analysis to fill the at issue data voids in their original 1997 draft.
- On July 7, 2000 a second meeting was called by Deputy Secretary Hayes to discuss the status of discussions. At this meeting it was mutually agreed that EBMUD and the USBR would address the following diversion location alternatives in their supplemental environmental analysis:
  - Delta diversion at Bixler

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<sup>1</sup>Hodge Threshold is river flow criteria as defined by 1991 Alameda Superior Court Decision.

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- American River at 23<sup>rd</sup> Street (site proposed in *Modified Project Proposal*)
  - Sacramento River at Freeport
  - Sacramento River near City's Sacramento River Water Treatment Plant
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- A supplemental EIR/EIS was issued by EBMUD in October that analyzed the above alternative diversion points.
  - On November 28<sup>th</sup>, staff representatives of the City, Sacramento County, and local environmental organizations testified before the EBMUD Board of Directors, urging the District to select the Freeport diversion as its preferred project alternative.
  - On November 30<sup>th</sup>, Senator Feinstein met with EBMUD elected officials to discuss progress and requested a meeting with all parties the following week in Washington D.C.
  - Mayor Heather Fargo and City Manager Robert Thomas attended a meeting hosted by Senator Feinstein. The local environmental groups were represented by Ron Stork. Board Chair Roger Dickinson, County Executive Terry Shatten, and Keith DeVore, County Director of Water Resources represented Sacramento County. At this meeting, EBMUD agreed to study a Freeport diversion in cooperation with the City and County of Sacramento - a significant change in the position they have maintained for 30 years.
  - The next step is to develop a "Memorandum of Agreement" (MOA) among EBMUD, the City, the County, and federal agencies to define the engineering and environmental studies necessary to determine the scope of a project at Freeport. Issues that must be addressed are:
    - ✓ Quantity of diversions
    - ✓ Timing of diversions
    - ✓ Project specific environmental review
    - ✓ Cost allocation
    - ✓ Water quality issues
    - ✓ Pipeline routing
    - ✓ Community involvement
    - ✓ Assurances
  - It is anticipated that the MOA will be presented to City Council for consideration on January 16<sup>th</sup>.

City Council  
January 9, 2001  
Workshop: EBMUD Issues

**ENVIRONMENTAL DETERMINATION**

This report is for information only and no action is asked of City Council.

**FINANCIAL CONSIDERATIONS**

There are no financial implications associated with this report.

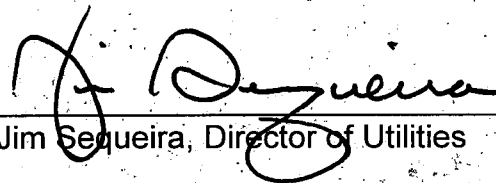
**POLICY CONSIDERATIONS**

City Council has previously approved discussions and negotiations with EBMUD and Sacramento County in an effort to develop an acceptable water supply project.

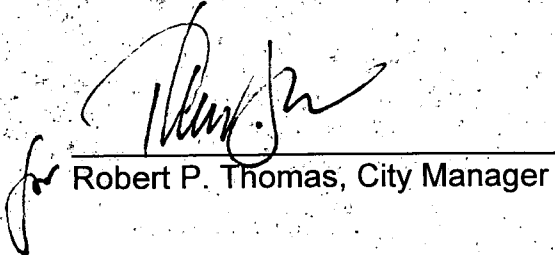
**ESBD CONSIDERATIONS**

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

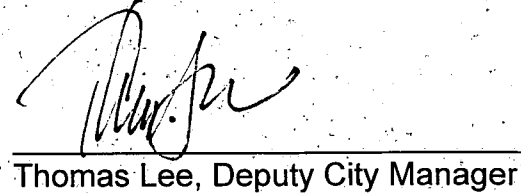
Respectfully submitted,

  
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Jim Sequeira, Director of Utilities

APPROVED:

  
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for Robert P. Thomas, City Manager

RECOMMEND APPROVAL:

  
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Thomas Lee, Deputy City Manager