

SPECIAL JOINT MEETING

SACRAMENTO CITY COUNCIL
AND
SACRAMENTO COUNTY BOARD OF SUPERVISORS

MONDAY, APRIL 2, 1990

2:00 P.M.

BOARD OF SUPERVISORS CHAMBERS
COUNTY ADMINISTRATION BUILDING, SUITE 1450
700 H STREET
SACRAMENTO, CALIFORNIA

I HEREBY CALL a Special Meeting of the Sacramento City Council to meet jointly with the Sacramento County Board of Supervisors, at the date, time and location specified above, for the purpose of considering and acting upon matters relating to the following:

- a) Expansion of City's American River Water places of use;
- b) Implementation of a water resources management plan; and
- c) County's policy on protection of the American River.

Members of the public are invited to attend the public hearing and present their comments.

ISSUED: This 30th day of March, 1990.

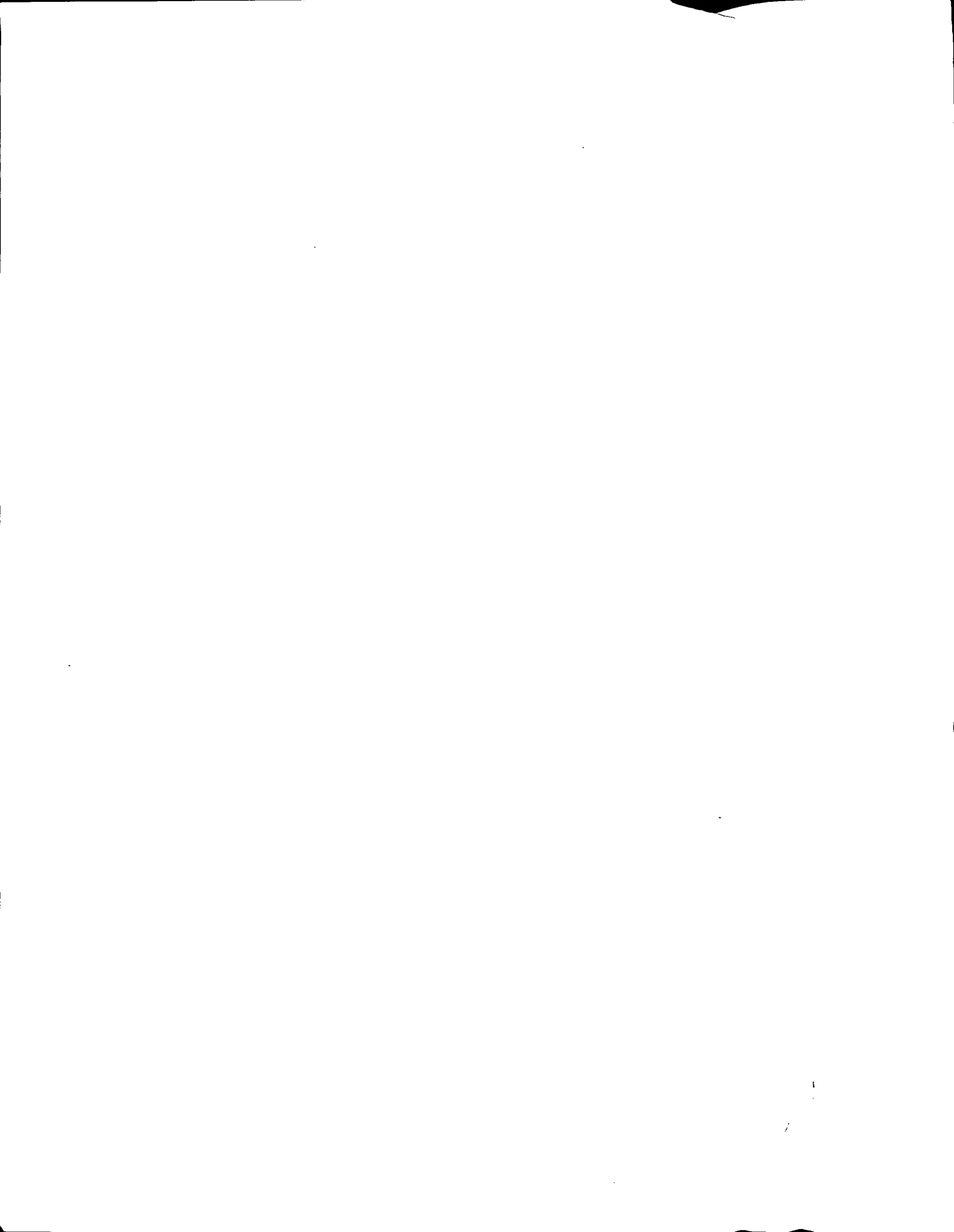


ANNE RUDIN
MAYOR

ATTEST:



VALERIE A. BURROWES
CITY CLERK





DEPARTMENT OF
PUBLIC WORKS

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 207
915 I STREET
SACRAMENTO, CA
95814-2673

OFFICE OF THE DIRECTOR

*AG 90-017
amending
AG 87-249*

916-449-5283

April 2, 1990

ADMINISTRATION
916-449-8747

City Council
County Board of Supervisors
Sacramento, California

Honorable Members in Session:

Subject: **Expansion of the City's Existing Authorized American River Water Place of Use**

SUMMARY

This report recommends that studies be initiated to consider an expansion of the City's authorized American River water Place of Use to allow delivery of surface water within areas of the County not presently authorized by existing entitlements. City and County staffs have, in order to provide for such studies, developed the attached amendment to the April 5, 1988 Restatement of the City / County Memorandum of Understanding (MOU). It is recommended that the City Council and Board of Supervisors approve and authorize the execution of the amendment to the MOU.

BACKGROUND

The City's five water right permits issued by the State Water Resources Control Board (SWRCB) together with its 1957 contract with the U.S. Bureau of Reclamation (USBR) entitle the City to the following maximum annual amounts of surface water (in acre feet) from the Sacramento and American Rivers:

Sacramento River	81,800
American River	<u>245,000</u>
Total	326,800

Of this amount, 15,000 acre feet is committed for the use of the Sacramento Municipal Utility District, outside of the American River water Place of Use. The City has until the year 2030 to build up its beneficial use of the American River entitlements.

City Council / Board of Supervisors

Expansion of the City's Existing Authorized American River Water Place of Use

April 2, 1990

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The authorized Place of Use in which the City is entitled to use Sacramento River water includes the territory within the City boundaries, as they may change from time to time. The Authorized Place of Use of American River water includes an area roughly equivalent to the current City boundary plus unincorporated land to the east within the County, a total of about 96,000 acres. A map depicting these boundaries is attached for reference.

The City currently provides water service within the City limits and a small area within the Fruitridge corridor, an area of approximately 64,000 acres. In Fiscal Year 1989/90 approximately 115,000 acre feet of water were delivered within this area, or about 35 percent of the City's ultimate entitlement. Arcade Water District diverts an additional 1800 + \- acre feet of water under the City's American River entitlements to serve their customers within the authorized American River water Place of Use.

Past estimates by various parties have indicated that the ultimate water needs within the City's authorized water right place of use are somewhat less than the entitlement amount. While it is generally agreed that some surplus entitlement exists, it is important to verify this and to determine in relatively precise terms the amount of the projected surplus considering factors such as the build-out needs within the present POU, likely expansions to the City's boundary, the potential effects of water conservation measures and the benefits of a conjunctive water use program which realistically estimates the availability of groundwater of acceptable quality.

While the City may have ample surface water entitlements, the County of Sacramento and many water purveyors within the County have insufficient water to meet their projected future needs, and in some cases even their present needs. Groundwater is being overdrafted in some areas of the County and it has been for a long time. The County and some of the other water purveyors have been trying for many years to obtain additional surface water entitlements from the USBR out of Folsom Reservoir, but environmental and water right objections have continually frustrated these efforts.

As a result, the County is now looking to the City's surface water entitlement and wants the City to ask the SWRCB for permission to expand the City's authorized place of use of American River Water to include additional unincorporated territory, such as the Antelope and Laguna-Elk Grove areas, where more water is needed for both existing and approved future development.

The City and the County entered into a restated Memorandum of Understanding (MOU) in 1988 entitled "Planning for Water Development and Use". The MOU is a planning agreement which reflects the need to both reduce groundwater overdraft in the County, by using the City's existing surface water entitlement and new entitlements which may be obtained by others, and to develop use of those entitlements. The parties agreed that

the City should study a plan to provide surface water under its entitlement to non-City customers residing within its authorized place of use and, if permanent entitlements are later obtained by other agencies, to non-City customers outside of its existing authorized Place of Use.

City staff recommends that studies be initiated to consider the expansion of the City's authorized American River water Place of Use to allow delivery of surface water within the unincorporated areas of the County not presently authorized. This may be done without the need for the County, or agencies within the County, to obtain new water entitlements from the SWRCB or the USBR. City and County staffs have developed, for the approval of both the County Board of Supervisors and the City Council, an amendment to the restated MOU to provide for such studies. The proposed amendment calls for the City to investigate and consider the feasibility and desirability of expanding the existing American River Place of Use in order to make surface water available for use in the Sacramento area beyond the existing POU. A preliminary scope of the studies considered necessary to accomplish this task is attached.

FINANCIAL DATA

No financial impact is directly associated with amending the MOU as proposed. Costs will be incurred, however, as the studies proposed to be undertaken pursuant to the MOU amendment are initiated. The cost of these studies has not yet been determined. Staff feels that sufficient funds are available to undertake the studies in the City's Water Fund capital improvement budget (ZD36 - Water Supply Master Planning). Consultant services agreements related to this work will be provided to the City Council for approval at the appropriate time.

POLICY CONSIDERATIONS

The studies made pursuant to the proposed MOU amendment have the potential to significantly influence the water resource planning of both the City and County for many years in the future.

If a decision is made ultimately to file a petition with the SWRCB to change the POU, there is no assurance that it will be approved. The SWRCB could disapprove it, approve it with conditions, or approve it as requested. Parties other than the City and County will no doubt have a strong interest in the matter and may well file positions or protests. The entire process of studies, environmental analyses, hearings, etc., may prove to be both controversial and costly.

City Council / Board of Supervisors
Expansion of the City's Authorized American River Water Place of Use
April 2, 1990
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RECOMMENDATION

It is recommended that the City Council and Board of Supervisors approve the attached resolutions authorizing the execution of the amendment to the April 5, 1988 restatement of the City / County Memorandum of Understanding Re: Planning for Water Development and Use.

RECOMMENDATION APPROVED:



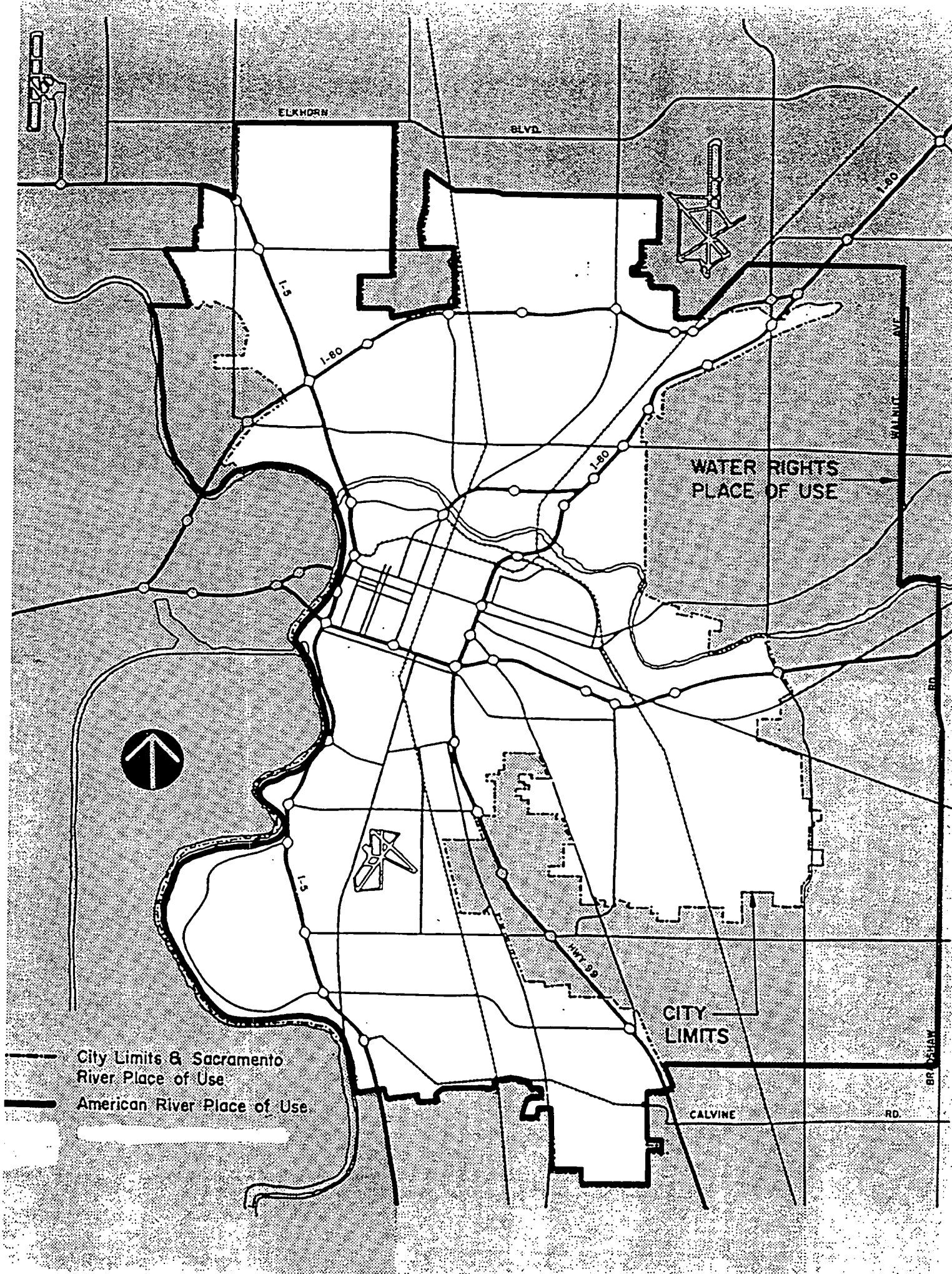
WALTER J. SLIPE
City Manager

APPROVED:



MELVIN H. JOHNSON
Director of Public Works

April 2, 1990
All Districts



ELKHORN

BLVD

1-50

1-5

1-80

1-80

WATER RIGHTS
PLACE OF USE

WALNUT
AVE



1-5

1-80

CITY
LIMITS

BR
SHAW
RD

City Limits & Sacramento
River Place of Use
American River Place of Use

CALVINE

RD

PRELIMINARY SCOPE OF PLACE OF USE EXPANSION STUDIES

Simply stated, the studies necessary to evaluate the feasibility and desirability of expanding the existing American River water entitlement Place of Use fall into two general phases 1) Determination of the amount by which existing water entitlements of the City of Sacramento may exceed the ultimate reasonable needs within the places of use of Sacramento and American River water, and; 2) Determination of where available surplus entitlements, if any, can best be put to beneficial use outside the existing American River water Place of Use. Within each of these areas of study, several elements can be further defined, as follows:

PHASE I. **WATER SUPPLY SUFFICIENCY STUDIES** - Determine whether, and to what extent the existing surface water entitlements of the City together with available groundwater resources exceed the reasonable ultimate needs within the current Places of Use of Sacramento and American River water. During the course of these studies, water purveyors serving customers within the American River POU will be contacted to obtain their input.

- A. **Estimate of Ultimate Annual Water Demand** - Prepare a conservatively based estimate of the ultimate annual water demands within the places of use of Sacramento and American River water. This estimate should reflect the limitations inherent in projecting the long-term (through build-out) water needs of a population, a process in which many variables are involved.

Development of this estimate necessitates that the ultimate boundary of the City be estimated, as expansion of the City beyond the current Place of Use of American River water will increase the ultimate annual water requirement.

A high level of confidence should exist that the estimate of ultimate annual water demand developed will provide for the water needs within the area the City is obligated to serve for an indefinite period of time. In this way, the commitment of any surplus water entitlement to areas outside the current Places of Use for American and Sacramento River water will not jeopardize the City's ability to meet its current obligations under those entitlements.

- B. **Groundwater Management Plan** - Develop a plan for conjunctive use of the groundwater and surface water resources available within the places of use of Sacramento and American River water. The first step in this task is to estimate the annual safe yield of acceptable quality groundwater which can be reliably produced from the basin.

Available data will be reviewed and areas of acceptable, unacceptable and unknown groundwater quality will be defined. From this, an estimate of the reliable safe annual yield will be made.

Alternative conjunctive use plans will be developed and evaluated as to their meeting several objectives including cost effectiveness, maximizing safe groundwater yield, and providing an alternative source of water during dry and critically dry years.

A specific plan will be recommended and, based on it, a determination of the total reliable water supply within the Sacramento and American River Places of Use will be determined.

- C. **Water Conservation Plan** - Identify an array of possible water conservation measures and estimate the effectiveness of each based on cost, political, social and environmental considerations. Select a politically and socially viable set of conservation measures to be implemented and estimate the reliable conservation savings which can be expected from them.
- D. **Study Integration** - Prepare a report summarizing the above study elements and identify whether, and to what extent, the available water resources within the Places of Use of American and Sacramento River water exceed the reasonable ultimate needs of the area.

PHASE II. **PLACE OF USE (POU) EXPANSION ALTERNATIVES** - Determine where surplus water entitlements, if any, can best be put to beneficial use outside the current American River water Place of Use. During the course of this work, water purveyors serving customers within the existing or proposed expansions to the American River POU will be contacted to obtain their input.

- A. **Preliminary Assessment and Prioritization of Needs** - Set up a series of meetings with the County and other interested parties to define the area(s) to be considered for expansion of the Place of Use of American River water. Total ultimate annual water requirements as well as the time-based characteristics of that demand will be defined for each area identified. The ability to withstand dry-year supply reductions will also be determined.

A prioritization will be established to assist in determining how surplus water entitlements determined in "Phase I" above should be allocated to the areas identified.

- B. **Implementation Considerations** - Prepare preliminary studies to define the facilities necessary to provide surface water to the areas identified in "A" above, under the City's surface water entitlements. Evaluate the operational implications of serving the alternative POU expansion areas. The costs of providing surface water to the alternative POU expansion areas will be estimated.

- C. **Legal Considerations** - Confirm the U.S. Bureau of Reclamation's early indication that a change in the Place of Use of the City's American River water entitlement will not affect any provisions of the City's contract with them.

- D. **Recommended POU Expansion Plan** - This task will combine the results of the Water Supply Sufficiency Studies described in "Phase I" above with the evaluation of Place of Use Expansion Alternatives and will recommend alternative plans for (1) environmental review; (2) consideration of the City Council and County Board of Supervisors; and (3) petitioning of the State Water Resources Control Board for expansion of the POU.



DEPARTMENT OF
PUBLIC WORKS

OFFICE OF THE DIRECTOR

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
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95814-2673

916-449-5283

ADMINISTRATION
916-449-8747

April 2, 1990

City Council
County Board of Supervisors
Sacramento, California

Honorable Members in Session:

SUBJECT: **ALTERNATIVE ORGANIZATIONAL STRUCTURES FOR THE IMPLEMENTATION OF A WATER RESOURCES MANAGEMENT PLAN FOR THE SACRAMENTO METROPOLITAN AREA**

SUMMARY

The implementation of a water resources management plan for the Sacramento Metropolitan area requires a decision regarding the agency which will be responsible for managing the implementation. This report reviews the history of recommendations regarding such institutional arrangements and describes six alternative structures for managing the plan. It is recommended that the City Council and the Board of Supervisors refer the report to the City Manager and County Executive for further study.

BACKGROUND

The City and County of Sacramento have been working, for several years, to develop a water resources management plan for the Sacramento Metropolitan area. The plan would address obtaining and using water entitlements, as well as financing, acquisition, construction, operation, and maintenance of water facilities. Before the implementation of a plan, however, a decision must be made regarding the institution or agency, which will assume responsibility for the implementation. This decision will affect the roles and functions of the City of Sacramento, the County of Sacramento, the Sacramento County Water Agency (CWA), other public and private water purveyors and may involve the formation of new entities.

Within the last 15 years, two major studies on Sacramento area water planning have considered and made recommendations regarding institutional arrangements to implement an area-wide water resources management plan. The first, conducted by CH2M Hill for the County of Sacramento, culminated in a final report entitled, "Sacramento County-Wide Water Plan," dated August 1976. The County Board of Supervisors, in its role as the Board of Directors of the Sacramento County Water Agency, responded to the CH2M Hill report in a "Policy Report," dated February 1978. The second study, conducted by Metcalf & Eddy for the City of Sacramento, the Sacramento County Water Agency, and Arcade Water District, culminated in a report entitled, "Sacramento Area Water Resources Management Plan," dated January 1985.

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City Council
County Board of Supervisors
Sacramento, California
Page 2

The CH2M Hill report recommended a modified CWA governed by five elected representatives and four representatives appointed from purveyor groups. Renamed the "Sacramento Regional Water Agency," this agency would manage the implementation of the County-wide water plan. It would operate primarily as a water wholesaler to public and private retail purveyors within the County, except the Delta. (This recommendation is similar to Alternative 5 discussed below.)

The County Board of Supervisors' policy report rejected the recommendation of the CH2M Hill report. Instead, it recommended that the City of Sacramento "should wholesale water, transfer water, and/or allow surface water to be wheeled or diverted through its or other facilities to areas within and adjacent to its ultimate planned service area," and that the City of Folsom, the Folsom south service area, and the Natomas area be served separately with water from other sources. (This recommendation is similar to Alternative 1 discussed below.)

The Metcalf & Eddy report recommended a two phase plan. During Phase I (from 1985 to 1990), the City of Sacramento would contract to provide the Arcade Water District with surface water. The City also would agree with the County to serve the Laguna area with American River water obtained by the County from the U. S. Bureau of Reclamation. Phase II would be a long-term phase from 1990 through 2030. In this phase the City would wholesale surface water to agencies outside its American River water right place of use, using American River water obtained by the County from the U. S. Bureau of Reclamation. A joint powers agreement (JPA) between the City and the County would provide for future water facilities financing.

ALTERNATIVE INSTITUTIONAL ARRANGEMENTS

The preceding discussion highlighted two alternative institutional arrangements for implementing a water resource management plan for the Sacramento Metropolitan area. Staff has identified a total of six alternative structures for providing this management role, and each is described briefly below:

Alternative 1 -- The City would enter into several separate contracts to provide wholesale surface water service to each retail water service entity desiring such wholesale water services.

Alternative 2 -- The City would enter into a single contract with a new joint powers agency (JPA) created by agreement. Its members would be the retail water services entities in the County desiring wholesale water service from the City. The contract would provide for wholesale surface water service by the City to the JPA, and the JPA would be responsible for providing the water to its members.

Alternative 3 -- The City would enter into a single contract with the County (or the CWA) to provide wholesale surface water service. The County (or the CWA) would be responsible for providing the water to the retail water service entities within the County desiring wholesale surface water service from the City.

Alternative 4 -- The City would enter into a single JPA with the County (or the CWA) and with all the retail water service entities in the County desiring wholesale surface water service from the City. The agreement would create a JPA and explain its role and the roles of the parties to the agreement, including the City providing wholesale surface water service, as well as the functions of the County (CWA) and the retail water service entities in serving the water to consumers.

Alternative 5 -- The CWA would be modified by special State statute amending the CWA Act, or a new overall water agency in Sacramento County would be created by special State statute. The statute would provide that the governing board would have appropriate powers to implement a metropolitan area water resources management plan and would have appropriate representation and voting power by the City, the County and retail water service entities. This entity would have control over the City's water rights, entitlements, and facilities. It would provide, by contract, for wholesale surface water service to retail water service entities desiring such service, and perhaps retail surface water service where no other retail water service entity existed.

Alternative 6 -- The proposed City and County of Sacramento, which would be created if the voters approve the Draft Charter Proposal recommended in the December 1989 report to the Sacramento Ad Hoc Charter Commission, would succeed to the ownership of all City and County property. This consolidated entity would have the authority to provide surface water service, either wholesale or retail as appropriate, within the County, except within Folsom, Galt, and Isleton (unless their voters approved their dissolution) and within special districts that wanted to continue their functions.

These six alternatives do not represent an exhaustive list of possible organizational arrangements. Following further study, additional options or variations on the six alternatives presented here may be delineated.

Under all of the alternatives, the City's water rights and entitlements would be used to provide surface water service within the authorized places of use, as they exist or might be enlarged under the City's water rights permit. Delivery of surface water outside the authorized places of use would depend upon obtaining new surface water rights or entitlements, if possible.

It also would be necessary, under all of the alternatives, for appropriate arrangements to be made to assume payment of the costs of the surface water service to the entity providing the service.

Finally, under all of the alternatives, the CWA would use its existing powers to manage groundwater, including the establishment of groundwater management zones, and to create surface water benefit zones, in order to promote the conjunctive use of groundwater and surface water.

FINANCIAL IMPACT

Each alternative institutional arrangement would have an accompanying financial arrangement for recovery of the City's costs in providing water. There will be no immediate financial impact as a result of the recommendation included in this report.

MBE/WBE

MBE/WBE policies will apply when implementation of water policies occur.

POLICY CONSIDERATIONS


No new policies are contained in this report; however, approval of this report may ultimately result in the presentation of new water policies and/or organizational structures for water policy implementation in the future.

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City Council
County Board of Supervisors
Sacramento, California
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RECOMMENDATION

It is recommended that this report be referred to the City Manager and County Executive for further analysis and study of the alternative institutional arrangements for implementing a water resources management plan for the Sacramento Metropolitan area.

Respectfully submitted,


Melvin H. Johnson
Director of Public Works

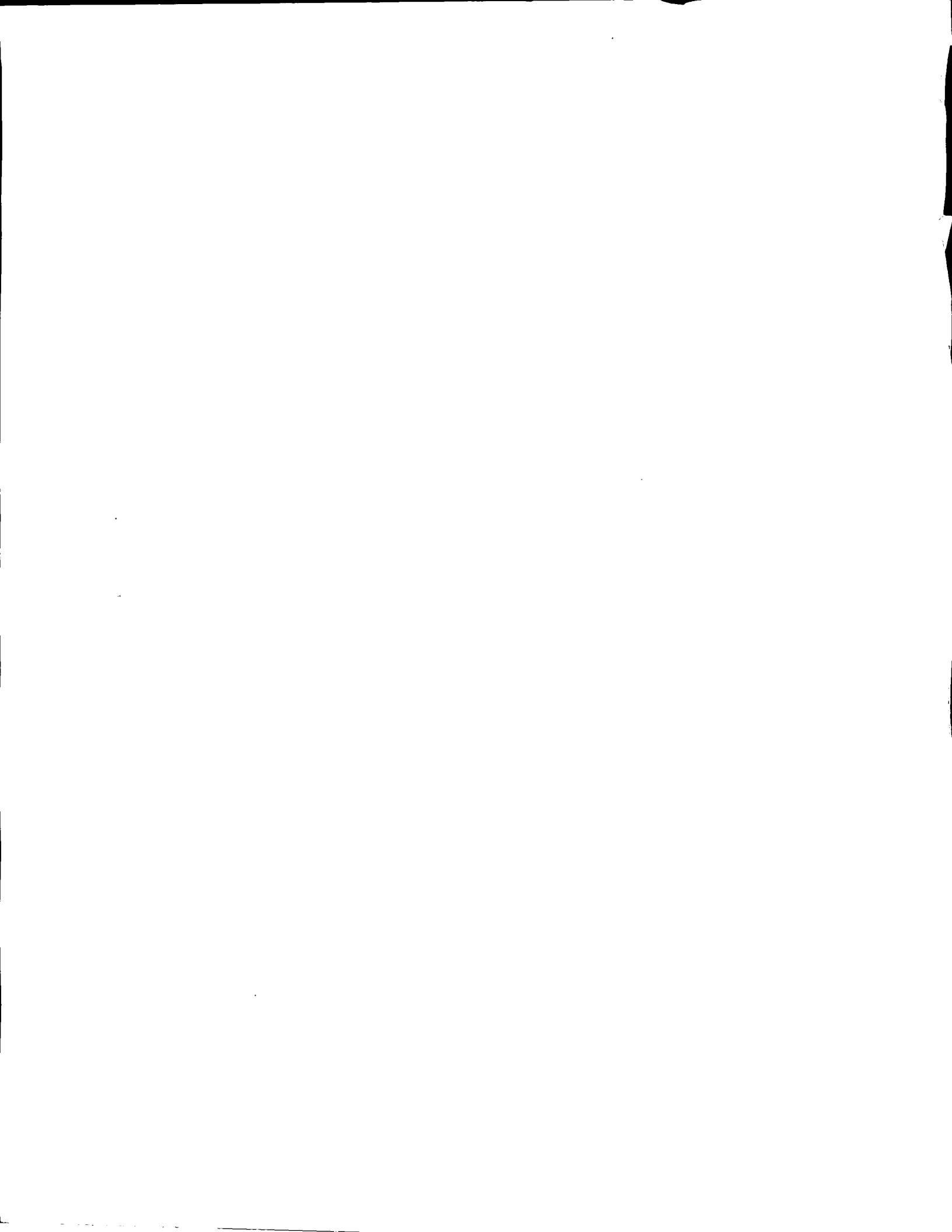
Recommendation Approved:



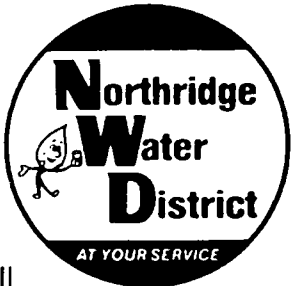
Walter J. Slipe
City Manager

April 2, 1990
All Districts

Contact Person:
Melvin H. Johnson
Director of Public Works, 449-5283



2.1



5331 WALNUT AVENUE, P.O. BOX 41258, SACRAMENTO, CA 95841-0258, PHONE 332 4111

April 2, 1990

City Council
County Board of Supervisors
Sacramento, California

Subject: Expansion of the City's Existing Authorized American
River Water Place of Use

Honorable Member in Session:

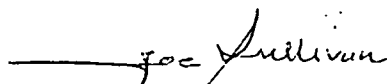
Sacramento's future depends on concerted effort by the City, County and Area Water Purveyors to bring water development and distribution under control. To succeed, conjunctive use of ground and surface water is mandatory.

The City's Department of Public Works is recommending revision of the City/County Memorandum of Understanding Re; Planning for Water Development and Use. We agree in principle with the recommendation, but ask that the Amendment include formal representation of public and private water districts and companies, in line with paragraph 67 of the Amendment. To plan future water use and supply without their active participation and cooperation can only impede the process.

It is recommended that paragraph 910 titled, Technical Advisory Committee - Composition be changed to include three additional representatives i.e., the Chairman of the Board of the Sacramento Area Water Authority (SAWA) and two staff members to be named by, and serve at the pleasure of, the Chairman of the Board of SAWA.

SAWA is organized under a Joint Powers Agreement combining ten public Water Districts and two Private Water Companies. The Authority's members serve almost all water customers in the Sacramento area outside the Sacramento City limits. The Authority includes 48 elected officials acting through ten Board Members, and the managers of two major private water companies who are Associate Members. The Chairman of SAWA is Mr. Louis Duncan of Carmichael Water District. The mailing address is P.O. Box 41258, Sacramento, California 95841. The telephone number is (916) 332-1694 and the Fax number is (916) 332-1615.

Respectfully,


Joe Sullivan
Director

**AMENDED
RESTATEMENT OF
MEMORANDUM OF UNDERSTANDING
OF
CITY OF SACRAMENTO, COUNTY OF SACRAMENTO
AND SACRAMENTO COUNTY WATER AGENCY RE: PLANNING
FOR WATER DEVELOPMENT AND USE**

This amended Restatement of Memorandum of Understanding is entered into this 2nd day of April, 1990, between the City of Sacramento ("the City"), the County of Sacramento ("the County") and the Sacramento County Water Agency ("the Agency").

RECITALS

The parties, after extensive studies by their staffs and by expert, professional consultants in the field of water resource management, find as follows:

1. For a number of years, use of surface water and groundwater in the Sacramento area has not been coordinated or properly balanced. Groundwater has been overdrafted, resulting in long-term declining groundwater levels in certain parts of the area, while surface water has not been used to the extent available. In addition, groundwater used in certain parts of the area has undesirable quality.

2. The City has water rights and entitlements to surface water from the Sacramento River and the American River sufficient both for existing use and for future increased use in the Sacramento area, with certain restrictions as to the authorized place of use ("the City's authorized water place of use") as follows: Water from the Sacramento River may be used only within the City limits as they are changed from time to time by annexations to the City, while water from the American River may be used only within a specifically described territory, the American River place of use ("POU"), which includes all lands within the present City limits plus additional lands outside those limits.

City Agreement No. 90-017

3. Additional surface water may become available for use in the Sacramento area outside the City's authorized water place of use pursuant to water rights or entitlements which may be obtained in the future by the County, the Agency or others within the area but there is considerable uncertainty as to when such water rights or entitlements can be obtained.

4. The County and the Agency have asked the City to investigate and consider whether and to what extent the City's surface water rights and entitlements could be made available for use in the Sacramento area beyond the existing POU by obtaining approval of the State Water Resource Control Board for an expansion of the existing POU.

5. The City has existing surface water diversion, treatment, storage and conveyance facilities which could be expanded and extended to provide surface water for use in the Sacramento area beyond the places where it is presently being used.

6. It is timely for the parties to plan and consider adopting and implementing a coordinated, area-wide program of conjunctive use of surface water and groundwater to correct groundwater overdraft and water quality problems and provide for proper management of the groundwater basin and all water supplies available to the Sacramento area ("conjunctive use program"). The benefits of such a conjunctive use program, assuming adoption and implementation, would include efficient water use, drought protection, support of instream uses and cost savings, which would result in the most reasonable, beneficial use of the water available in the best interests of all the inhabitants of the Sacramento area and in the public interest.

7. None of the parties and no other single governmental entity could plan and implement such a conjunctive use program alone, but it could be planned and, if adopted, it could be implemented by the cooperative action and leadership of the parties performing the functions which each is best able to perform and by the participation in such a program by other public and private water purveying entities in the Sacramento area.

8. The purpose of this Restatement of Memorandum of Understanding is to recognize the need for conjunctive use of groundwater and surface water in the Sacramento area, to renew the bond of cooperation between the parties to plan together to resolve mutual water supply concerns, and to serve as an agreement for planning by establishing a Technical Advisory Committee to study and prepare a proposed conjunctive use program for consideration and possible adoption by the parties after appropriate environmental review.

UNDERSTANDING

9. Parties' Objectives

The objectives of the parties in planning a conjunctive use program, subject to appropriate environmental review, include:

(a) bringing the use of surface water and groundwater in the Sacramento area into a proper balance by utilizing the City's existing surface water rights and entitlements to the maximum extent in accordance with the law without adversely affecting them, by seeking and utilizing additional surface water rights and entitlements, and by limiting and managing groundwater use;

(b) providing for equitable financing of City construction and operation of an expanded and extended system of surface water diversion, treatment, storage and conveyance facilities as may be necessary or desirable to achieve such proper balance of water use; and

(c) improving through legislation the Agency's groundwater management authority as may be necessary or desirable to achieve such proper balance of water use.

10. Technical Advisory Committee - Composition

A Technical Advisory Committee of City and County representatives is hereby created. It shall be composed of eight members: The City Director of Public Works, who shall be the Chair; the County Director of Public Works, who shall be the Vice-Chair; the City Division Manager of Water; the County Chief of Water Resources Division; two additional City staff members to be named by and serve at the pleasure of the City Manager; and two additional County staff members to be named by and serve at the pleasure of the County Executive.

11. Technical Advisory Committee - Functions

The Technical Advisory Committee shall meet periodically, but not less often than quarterly, to plan a proposed conjunctive use program, including consideration of environmental factors, to be presented to the City Council, the County Board of Supervisors and the Agency Board of Directors for their consideration.

12. Policies to be Considered in Planning Proposed Conjunctive Use Program

In planning the proposed conjunctive use program, the Technical Advisory Committee shall investigate and consider the feasibility and desirability of incorporating the following in such proposed program:

(a) City Water Service Outside City Limits But Within Existing American River Place of Use

That, in addition to providing water service within the City limits, the City (i) should utilize its water rights or entitlements to provide wholesale treated surface water service to areas outside the City limits but within the existing POU which are served by public water agencies desiring such service, and should expand, extend, construct, operate and maintain surface water diversion, treatment, storage and conveyance facilities to provide such service, and (ii) in its discretion, could perform the functions described in (i) in order to provide such service to areas outside the City limits but within the existing POU which are served by private water agencies desiring such service.

(b) City Water Service Outside City Limits and Outside Existing American River Place of Use

That the City, utilizing other than its own water rights and entitlements:

(i) should provide wholesale treated surface water service to areas outside the City limits and the existing POU which are served by public water agencies desiring such wholesale treated surface water service, and should expand, extend, construct, operate and maintain surface water diversion, treatment, storage and conveyance facilities to provide such service, subject to (a) such public water agencies first obtaining their own permanent water rights or entitlements to the surface water to be served as, for example, by contract with the U.S. Bureau of Reclamation or by a water rights permit from the State of California, and (b) a written agreement first being negotiated and entered into between the City and such public water agencies; and

(ii) in its discretion, could perform the functions described in (i) above, subject to the conditions specified therein, in order to provide wholesale treated surface water service to areas outside the City limits and the POU which are served by private agencies desiring such wholesale treated water service.

(c) Financing Arrangements and Water Delivery Agreements

That the City's performance of the functions described in (a) and (b) above should be conditioned upon financing arrangements and any necessary water delivery agreements, to assure that the agencies and water users which are provided water service by the City pay appropriate amounts for the service provided, taking into account all factors (including the City's past investment in property and water rights and entitlements utilized in providing such service, and other factors authorized by law).

(d) City Water Connection Fees

That the City should assess and collect water connection fees on new development within the City to help finance its appropriate amounts of the cost of City expansion, extension and construction of surface water facilities which provide service both within and outside the City limits; and that the City should accept and utilize groundwater charges and connection fees collected by the Agency under subparagraphs (g) and (h) below to help finance the Agency's payment of its appropriate amounts for the service provided outside the City limits by such facilities.

(e) Groundwater Amendments to Sacramento County Water Agency Act

That the City, the County and the Agency should pursue the enactment of amendments to the Sacramento County Water Agency Act as necessary or desirable to provide the authority to implement a proper groundwater management plan, including those aspects listed in subparagraph (f) below.

(f) Groundwater Management Plan

That the Agency should develop and implement a groundwater management plan with the objectives of halting groundwater overdraft, protecting against water quality

degradation and equitably sharing the costs and benefits of the plan; that the plan, considering environmental factors, may include:

- (i) data collections;
- (ii) control of well location, design, and construction and abandonment;
- (iii) groundwater pumping controls;
- (iv) groundwater charges;
- (v) the creation of groundwater management zones and other benefits zones;
- (vi) groundwater replenishment;
- (vii) equity assessment;
- (viii) pollution control or clean-up projects;
- (ix) other aspects mutually agreed to by the parties.

(g) Groundwater Management Zones

That, pursuant to its groundwater management powers, the Agency should seek the establishment of appropriate groundwater management zones, which may include areas within as well as outside the City limits; that the Agency should levy and collect groundwater charges within such zones if and to the extent justified by benefits of (i) groundwater management, or (ii) improvement of groundwater quantity or quality resulting from surface water service; that the revenue from such charges should be used, among other purposes authorized by law, to help finance groundwater management by the Agency and for payment to the City of appropriate amounts for surface water service provided by the City benefitting a groundwater management zone; and that such payments should be as specifically provided by agreement between the City and the Agency.

(h) Surface Water Benefit Zones

That the Agency should establish appropriate surface water benefit zones within the areas of the Agency outside both the City limits and the POU which are or will be benefitted by surface water supplied by the City, excluding areas within public or private water agencies which enter into agreements with the City to pay for the benefits to them of surface

water supplied by the City; provided, that the Agency may establish such zones outside the City limits but within the POU where so requested by the City; and that the Agency should assess, collect and pay to the City connection fees on new development within such zone or zones to help finance the Agency's payment of appropriate amounts for surface water service by the City to such zone or zones, as specifically provided by agreement between the City and the Agency.

(i) Guarantee of Debt Repayment

That, in the event the expansion, extension or construction of surface water facilities by the City in accordance with the conjunctive use program, if adopted, requires any debt financing, repayment of such debt should be mutually guaranteed by the parties in an equitable manner, as specifically provided by agreement between the parties; that no such guarantee should exist unless and until the County and the Agency are assured by written agreement that the City will provide surface water service to the County or the Agency from such surface water facilities; and that, unless otherwise agreed, such surface water facilities expanded, extended or constructed by the City should be the property of the City.

13. Expansion of Existing American River Place of Use

The City agrees to investigate and consider whether and to what extent the City's surface water rights and entitlements could and should be made available for use in the Sacramento area beyond the existing POU which would require the approval of the State Water Resources Control Board for an expansion of the existing POU.

14. City Council, County Board of Supervisors and Agency Board of Directors Consideration of Proposed Conjunctive Use Program -- Environmental Review

The City Council, the County Board of Supervisors and the Agency Board of Directors shall expeditiously consider the proposed conjunctive use program presented to them by the Technical Advisory Committee for possible adoption, but shall have no obligation to adopt such proposed program. Before considering whether to adopt such proposed program, the parties shall provide for and consider the results of environmental review thereof in full compliance with the California Environmental Quality Act and the State CEQA Guidelines.

15. Termination of this Memorandum of Understanding

The Memorandum of Understanding may be terminated only (a) by mutual written agreement of the parties or (b) by a party giving one year's prior written notice to the others; provided, that such notice shall not be effective as long as any party has an outstanding financial obligation respecting City water facilities jointly financed by the City and the County or the Agency; provided further, that termination of this Memorandum of Understanding shall not affect any other agreement that may be entered into between the City and the County or the Agency pursuant to this Restatement of Memorandum of Understanding or a conjunctive use program which may be adopted and implemented.

DATED: April 10, 1990

CITY OF SACRAMENTO

By: Anne Ruden
Mayor

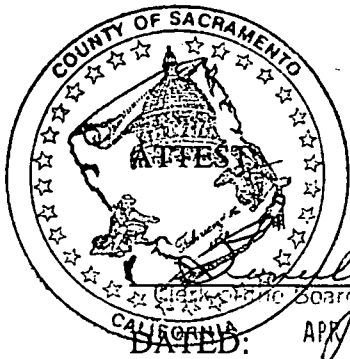
ATTEST:

Amie Beaman
DEPUTY CITY CLERK

DATED:

COUNTY OF SACRAMENTO

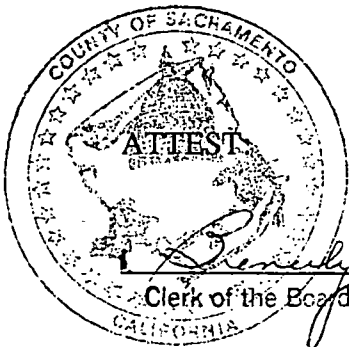
By: Montell Johnson
Chairperson APR 0 2 1990
Board of Supervisors



Dorely A. Williams
DATED: APR 0 2 1990

SACRAMENTO COUNTY WATER AGENCY

By: Montell Johnson
Chairperson
Board of Directors



Dorely A. Williams
Clerk of the Board

RESOLUTION NO. 90-240

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF April 2, 1990

**RESOLUTION AMENDING THE
APRIL 5, 1988 RESTATEMENT OF MEMORANDUM OF UNDERSTANDING
OF THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO
AND SACRAMENTO COUNTY WATER AGENCY
RE: PLANNING FOR WATER DEVELOPMENT AND USE**

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

That the Mayor and City Clerk are hereby authorized to execute the attached amended Restatement of Memorandum of Understanding of City of Sacramento, County of Sacramento and Sacramento County Water Agency re: Planning for Water Development and Use.

ANNE RUDIN
MAYOR

ATTEST:

JANICE BEAMAN
Deputy CITY CLERK

CERTIFIED AS TRUE COPY
of Resolution No. 90-240

APR 10 1990

DATE CERTIFIED
Janice Beaman
Deputy CITY CLERK, CITY OF SACRAMENTO

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 90-240

DATE ADOPTED: April 2, 1990

City Agreement No. 90-017

RESOLUTION No. 90-0411

BE IT RESOLVED AND ORDERED that the Chairman of the Board of Supervisors be and is hereby authorized and directed to execute the amendment to the April 5, 1988 restatement of the City/County Memorandum of Understanding Re: Planning for Water Development and Use and to do and perform everything necessary to carry out the purpose of this resolution.

On a motion by Supervisor T. JOHNSON, seconded by Supervisor G. JOHNSON, the foregoing resolution was passed and adopted by the BOARD OF SUPERVISORS of the County of Sacramento, State of California, this 2nd day of APRIL, 1990, by the following vote, to-wit:

AYES: Supervisors, Collin, T. Johnson, G. Johnson
NOES: Supervisors, Streng
ABSENT: Supervisors, Smoley



Montland Johnson
Chairman of the Board of Supervisors
of Sacramento County, California

In accordance with Section 25103 of the Government Code of the State of California a copy of this document has been delivered to the Chairman of the Board of Supervisors, County of Sacramento on

ATTEST: *Randy A. Williams*
Clerk of the Board of Supervisors

APR 02 1990

By *Hally A. Donaldson*
Deputy Clerk, Board of Supervisors

The foregoing is a correct copy of a resolution adopted by the Board of Supervisors, Sacramento County, California

on April 2, 1990

Dated April 9, 1990

Clerk of said Board of Supervisors

By *Hally A. Donaldson*
Deputy

FILED

APR 02 1990

BOARD OF SUPERVISORS
BY *Randy A. Williams*
CLERK OF THE BOARD
City Agreement No. 90-017

RESOLUTION NO. WA-0903

BE IT RESOLVED AND ORDERED that the Chairman of the Board of Directors be and is hereby authorized and directed to execute the amendment to the April 5, 1988 restatement of the City/County Memorandum of Understanding Re: Planning for Water Development and Use, on behalf of the SACRAMENTO COUNTY WATER AGENCY, a political subdivision of the State of California and to do and perform everything necessary to carry out the purpose of this resolution.

On a motion by Director T. JOHNSON, seconded by Director G. JOHNSON, the foregoing resolution was passed and adopted by the BOARD OF DIRECTORS of the SACRAMENTO COUNTY WATER AGENCY, State of California, this 2nd day of APRIL, 1990, by the following vote to-wit:

AYES: Directors, Collin, T. Johnson, G. Johnson
NOES: Directors, Streng
ABSENT: Directors, Smoley



Montland Johnson
Chairman of the Board of Directors of Sacramento County Water Agency, a political subdivision of the State of California

In accordance with Section 25103 of the Government Code of the State of California a copy of this document has been delivered to the Chairman of the Board of Supervisors, County of Sacramento on

APR 02 1990

ATTEST: *Renata A. Williams*
Clerk of the Board of Supervisors of Sacramento County, California, and ex-officio Secretary of the Board of Directors of Sacramento County Water Agency

By *Holly A. Donaldson*
Deputy Clerk, Board of Supervisors

The foregoing is a correct copy of a resolution adopted by the Board of Directors, Sacramento County, California

FILED

APR 02 1990

On April 2, 1990
Dated April 9, 1990
Clerk of Said Board of Directors

BOARD OF DIRECTORS
By *Renata A. Williams*
Clerk of the Board

By *Holly A. Donaldson*
Deputy Clerk

Agreement No. 90-017