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CITY-COUNTY OFFICE OF WATER PLANNING

October 29, 1991

City Council
Board of Supervisors
County Water Agency
Sacramento, California

APPROVED
BY THE CITY COUNCIL

OCT 29 1991

OFFICE OF THE
CITY CLERK
AG 91-203

Honorable Members in Session:

SUBJECT: REPORT BACK ON THE CREATION OF THE CITY-COUNTY OFFICE OF WATER PLANNING (CCOWP) – APPROVAL OF INTERAGENCY AGREEMENT AND 1991-1992 OPERATING BUDGET

LOCATION and COUNCIL DISTRICT

City/County

SUMMARY

On August 20, 1991 the City Council and the Sacramento County Board of Supervisors approved the creation of the City-County Office of Water Planning and directed staff to report back with a staffing and budget detail plus a cost sharing agreement. Included with this report is the proposed 1991-1992 budget and organization chart for the City-County Office of Water Planning and an Interagency Agreement between the City, County, and County Water Agency for the City Council's and Board of Supervisor's approval and adoption.

STAFF RECOMMENDATION

Staff recommends the approval of the attached resolutions which: (1) approve the 1991-1992 budget and organizational structure for the City-County Office of Water Planning, and; (2) authorize the City Manager, County Executive, and the Agency Engineer to execute an Interagency Agreement concerning the purpose, structure and cost sharing arrangements of the City-County Office of Water Planning.

BACKGROUND

On August 20, 1991 the City Council and Board of Supervisors authorized the establishment of an independent City-County Office of Water Planning to:

"Formulate an area-wide plan for providing a safe and reliable water supply in a manner which protects the environment. The plan shall include the sound and efficient management of available surface water, groundwater, and reclaimed water resources and water conservation. The institutional arrangement necessary to insure successful implementation of the plan shall also be identified."

Staffing and Organization

In order to begin this planning process, the City Council and Board of Supervisors approved the assignment of William H. Edgar as the Executive Director of the Office and the appointments of Melvin Johnson as the Deputy Director of Technical Services and Butch Hodgkins as the Deputy Director of Organizational Activities. The City-County Office of Water Planning will also include a full-time Senior Administrative Officer and a Typist Clerk. The Senior Administrative Officer position will be filled by assignment of Susan Davidson from the City Public Works Department. The Typist Clerk position will be filled by the transfer of a current City Typist Clerk. Both the City and County staff are currently engaged in water related activities some of which will now be under the direction of the Planning Office. In addition, it is highly likely that the Office will undertake significant new studies. As a result, there will be a need for regular technical staff. A Professional Services Agreement has been prepared to retain Mr. James L. McCormack, a retired County engineer with a high level of knowledge about the region's ground water resources. Mr. Don Jacobs, a Supervising Engineer with the City Utility Department, will also spend a significant portion of his time on Office assignments.

The City-County Office of Water Planning will also meet and consult with key City and County staff including the City's Deputy Director of Utilities and Water Division Manager and the County's Director of Public Works and Water Resources Division Chief.

The Interim Board has not been established and that will be one of the first items to be addressed by the Office including recommendations for the size and composition of such a Board. Until the establishment of such a Board, the City Council and Board of Supervisors will serve as the governing bodies with input to the Office through the City Manager and County Executive. The attached organizational chart identifies the CCOWP's assigned positions, reporting relationships and relationships to other organizations (Attachment A).

Fiscal Organization

The City-County Office of Water Planning will be initially established as a City budget unit organization in order to track the Office's costs and expenditures in the City's Local Government Financial System (LGFS). The City's Director of Finance will establish and approve the appropriate accounting model needed for the CCOWP. The Office will be financially supported on a 50/50 split by the City's Water Fund and the County's Water Agency (Zone 13). The budget relationship of the City's Water Fund to the Office will be similar to the relationship of the City's Community Center Fund to the Convention Bureau.

Interagency Agreement

The proposed Interagency Agreement between the City, County, and County Water Agency formalizes the arrangements described in this report and identifies the purpose, structure and cost sharing arrangements of the CCOWP. In addition, the cost sharing agreement between the City and County on the American River Water Resources Investigation has been incorporated as a part of this Interagency Agreement. The

Agreement includes a provision for reimbursing the City and County for the costs of the CCOWP at such time as an implementing agency is created.

FINANCIAL CONSIDERATIONS

The budget requirements for the remainder of the 1991-1992 fiscal year are \$991,726, which includes \$145,750 for one time setup and equipment costs. The estimated annualized cost for the new CCOWP is \$1.1 million. The budget requirements are primarily for administrative costs (salaries, office expenses, rent, and equipment), consulting services, and study costs. (Attachment B)

Office Space

It is anticipated that leased office space for the CCOWP will be available by mid-January at Freeport Square (Freeport and 35th Avenue). This site is in close proximity to the City's Department of Utilities which should facilitate the engineering and planning support to be provided by City Utilities staff. A separate staff report regarding the lease for the new CCOWP is to be considered by the City Council later on the Council's Agenda.

Positions

In order to assign a City Senior Administrative Officer and Typist Clerk on a full-time basis to the Office, it will be necessary to amend the City's Utility Department operating budget by the addition of two FTE positions of the same classification level as being assigned. These two new FTE positions will be added to the Water Division Administration operating budget since 50% of the source of funding for the positions will come from the Water Fund contingency reserve. A separate staff report regarding the needed amendment to the Utility Department's operating budget is to be considered by the City Council later on the Council's Agenda.

Studies

As identified in the Interagency Agreement between the City, County, and County Water Agency, the CCOWP will assume the obligations of the City and the County Water Agency in the funding of their share of the costs for the American River Water Resources Investigation. The financial commitment for this year is \$62,500. For the 1992 Federal fiscal year which began October 1, 1991, the commitment for the CCOWP would be \$168,750.

The City has almost completed a number of water planning studies (Water Conservation, Groundwater Management, and Water Demand) at a total cost of \$300,930. However, there is a possibility that additional water demand, groundwater, and conservation studies will be needed for the area. Therefore, it is proposed that \$100,000 be included in the CCOWP budget in order to begin these additional studies. At this time, staff is not aware if the Federal Bureau of Reclamation will perform all of this work as a part of the American River Water Resources Investigation or will accept the City's almost completed studies and

proposed additional studies as in-kind services. If they do, this would reduce the City's and County's participation costs in the American River Water Resources Investigation. If the costs of the studies almost completed by the city are not accepted as in-kind services by the Bureau, then it is proposed that the CCOWP include these costs in its 1992-1993 budget in order that the City be reimbursed for 50% of its costs under the CCOWP Interagency Agreement.

In addition, staff has agreed that a primary objective of the Office should be to facilitate a State Water Resources Control Board (SWRCB) decision on interim flow standards for the Lower American River. The primary problem is that the SWRCB does not have the staff or funds to undertake the review of previous and/or the initiation of new studies necessary to permit the Board to determine these standards. Therefore, the Office may propose that we provide funding for the necessary review and/or new studies. If appropriate, the Office may undertake some or all of the studies. This is a complex undertaking and considerable effort will be required to define the scope of the studies. Since the scope of studies has not been determined at this time, it is proposed that \$100,000 be set aside in the CCOWP budget to provide funding for some initial work on the interim flow standards.

Funding

The City's Water Fund contingency reserve has a fund balance of \$5.5 million as of October 11, 1991. The four percent fund reserve requirement for the Water Fund for FY 91-92 is \$1.1 million. Therefore the Water Fund can absorb its 50% share of the Office's operation for FY 91-92 without a rate increase. The City's 50% share (\$495,863) is equivalent to approximately a 2.36% rate increase.

The Sacramento County Water Agency (Zone 13) will fund its share of the Office's fiscal 91-92 operating costs from funds raised through Zone 13 assessments. These funds were for certain staffing costs and studies originally contemplated to be undertaken by the Agency. These budgeted expenditures were for objectives which, for practical purposes, are identical to the objectives of the Office's activities. Subsequent to approval of the Office's budget, an appropriation adjustment will be submitted to the Agency's Board of Directors to bring the Agency's budget into conformance with these actions and to reflect that the Agency's payments to the Office of Water Planning are to be viewed as a loan to be repaid by the ultimate water authority which will result from the Office's activities.

POLICY CONSIDERATIONS

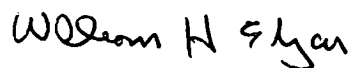
This report complies with the policy direction given by the City Council and Board of Supervisors at their August 20, 1991 meetings. At that time they authorized the establishment of an independent City-County Office of Water Planning and directed staff to return to the Council and Board with a cost sharing agreement, budget, and organization structure.

City Council/Board of Supervisors
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MBE/WBE

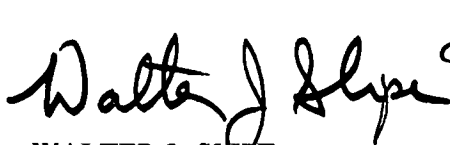
Since no goods or services are being purchased, MBE/WBE efforts are not applicable.

Respectfully submitted,



WILLIAM H. EDGAR
Executive Director

RECOMMENDATION APPROVED:



WALTER J. SLUPE
City Manager



BOB SMITH
County Executive



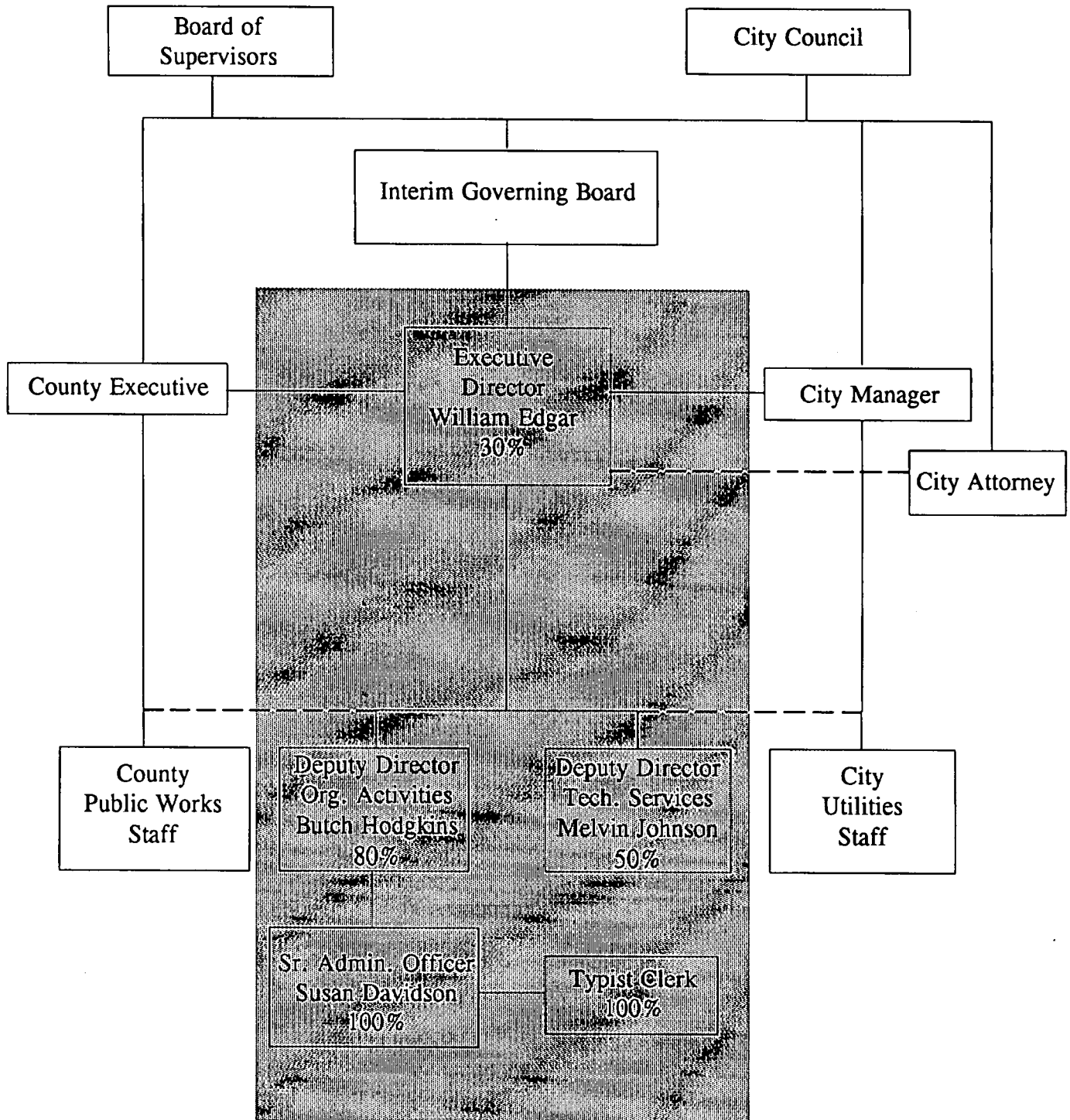
DOUG FRALEIGH
Agency Engineer

Attachments

FOR CITY COUNCIL, COUNTY BOARD OF SUPERVISORS
AND COUNTY WATER AGENCY MEETINGS OF:
October 29, 1991

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CITY-COUNTY OFFICE OF WATER PLANNING



CITY-COUNTY OFFICE OF WATER PLANNING

PROPOSED 1991-1992 OPERATING BUDGET

ONE TIME COSTS

New Phone System	\$ 5,000
Rental of Equipment	12,000
Moving Expenses	2,000
Furniture and Equipment	120,750
Computer Software	<u>6,000</u>
	\$145,750

ON-GOING ADMINISTRATIVE COSTS

Postage	\$ 100
Telephone	1,500
Reproduction - Central Services	2,500
Mail - Central Services	5,000
Data fines	500
Publication & Legal Notices	100
Printing and Binding	2,500
Blueprint	1,000
Rent	22,500
Maintenance of Real Property	2,500
Legal Services	52,000
Other Professional Services	12,000
Travel Expenses	2,000
Membership Fees	2,500
Periodicals & Newspapers	300
Registration & Tuition	1,000
Auto Allowance	400
Temporary Clerical Services	1,000
Office Supplies & Materials	2,600
Books & Pamphlets	500
Small Jobs	1,000
Computer Supplies & Software	1,000
Salaries, Benefits & Indirect	250,226
Consulting Services	<u>50,000</u>
	\$414,726

STUDIES COSTS

Interim Flow Standards Studies (set aside)	\$100,000.*
Possible Additional Water Demand, Groundwater and Conservation Studies (set aside)	100,000.**
American River Water Resources Investigation (Fed FY 91)	62,500
American River Water Resources Investigation (Fed FY 92)	<u>168,750</u>
	\$431,250
TOTAL for 1991-1992	<u>\$991,726</u>

* As indicated in the staff report, this is an estimate of the cost of initial work the CCOWP may propose to undertake in order to facilitate the SWRCB's decision on interim flow standards.

** A "set aside" dependent upon the Bureau's consideration of almost completed studies and possible additional studies. (Almost completed studies include the City's Water Conservation, Groundwater Management, and Water Demand studies. The possible additional studies include Water Conservation, Groundwater Management, and Water Demand studies for the County area.)

RESOLUTION NO. 91-862

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVED
BY THE CITY COUNCIL
OCT 29 1991
OFFICE OF THE
CITY CLERK

**RESOLUTION APPROVING THE INTERAGENCY AGREEMENT AND THE
1991-1992 OPERATING BUDGET FOR THE
CITY-COUNTY OFFICE OF WATER PLANNING**

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

1. That the October 29, 1991 staff report identifying the 1991-1992 budget and organization chart for the City-County Office of Water Planning is hereby approved.

2. That the City Manager is hereby authorized to execute an Interagency Agreement among the City of Sacramento, the County of Sacramento, and the County Water Agency concerning the City/County Office of Water Planning as approved as to form by the City Attorney.

3. That in order to establish a budget for the City-County Office of Water Planning, the following budgets are amended as shown:

a. The Water Fund Contingency Reserve is hereby amended as follows:

From:
413-720-7012-4999 <495,863>
To:
413-320-3210-4376 \$495,863

b. The revenue budget for the new City-County Office of Water Planning Fund is hereby established as follows:

513-880-8810-3717 \$495,863
513-880-8810-3598 \$495,863

c. The expenditure budget for the CCOWP is hereby established as follows:

<u>OBJECT CODE</u>	<u>AMOUNT</u>
513-880-8810-4201	\$ 100
4202	6,500
4204	2,500

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

4205	5,000
4209	500
4212	100
4213	2,500
4214	1,000
4231	22,500
4233	12,000
4241	2,500
4251	52,000
4252	481,250
4258	12,000
4261	800
4262	300
4263	900
4268	2,000
4270	2,500
4271	300
4272	1,000
4276	400
4288	1,000
4411	2,500
4412	100
4453	500
4461	1,000
4462	7,000
4630	50,750
4634	70,000
4xxx	<u>250,226</u>

TOTAL: \$991,726

- d. The Water Fund revenue budget is hereby amended as follows to reflect reimbursement for employee costs from the CCOWP:

413-320-32xx-47xx	\$148,545
413-710-7012-4999	\$148,545

ATTEST:

MAYOR

CITY CLERK

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FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

SACRAMENTO COUNTY WATER AGENCY

RESOLUTION APPROVING THE INTERAGENCY AGREEMENT AND THE 1991-1992 OPERATING BUDGET FOR THE CITY-COUNTY OFFICE OF WATER PLANNING

RESOLUTION NO. _____

BE IT RESOLVED AND ORDERED by the Board of Directors of the Sacramento County Water Agency that:

1. The October 29, 1991 staff report for the City-County Office of Water Planning, together with the 1991-1992 budget and organization chart presented therein are hereby approved.
2. The Agency Engineer is hereby authorized to execute the attached INTERAGENCY AGREEMENT FOR THE CITY-COUNTY OFFICE OF WATER PLANNING, an agreement among the County of Sacramento, the City of Sacramento, and the Sacramento County Water Agency, as approved as to form by County Counsel.

On a motion by Director _____, Seconded by Director _____, the forgoing resolution was passed and adopted by the Board of Directors of the Sacramento County Water Agency, this _____ of _____, 1991 by the following votes to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

Chairperson of the Board of Directors

ATTEST:

Clerk of the Board of Directors

THE COUNTY OF SACRAMENTO

RESOLUTION NO. _____

RESOLUTION APPROVING THE INTERAGENCY AGREEMENT AND THE 1991-1992 OPERATING BUDGET FOR THE CITY-COUNTY OFFICE OF WATER PLANNING

BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Sacramento that:

1. The October 29, 1991 staff report for the City-County Office of Water Planning, together with the 1991-1992 budget and organization chart presented therein are hereby approved.
2. The County Executive is hereby authorized to execute the INTERAGENCY AGREEMENT FOR THE CITY-COUNTY OFFICE OF WATER PLANNING, an agreement among the County of Sacramento, the City of Sacramento, and the Sacramento County Water Agency, as approved as to form by County Counsel.

On a motion by Supervisor _____, Seconded by Supervisor _____, the foregoing resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California, this _____ day of _____, 1991 by the following votes to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

Chairperson of the Board of Supervisors

ATTEST:

Clerk of the Board of Supervisors