

Folsom City Council Staff Report

MEETING DATE:	6/13/2023
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11043 – A Resolution Authorizing the City Manager to Execute an Inter-Agency Agreement for Cost-Sharing of the Water Forum 2.0 Agreement Update for Fiscal Year 2023-24 and Fiscal Year 2024-25
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 11043 – A Resolution Authorizing the City Manager to Execute an Inter-Agency Agreement for Cost-Sharing of the Water Forum 2.0 Agreement Update for Fiscal Year 2023-24 and Fiscal Year 2024-25.

BACKGROUND / ISSUE

In January of 2000, the Water Forum was formed to provide a safe, reliable water supply and preserve the value of the Lower American River. Through a collaborative effort of 21 water purveyors, the Sacramento County Farm Bureau, environmental interest groups, citizens organizational groups and business groups, the Water Forum Agreement was signed to endorse and, where appropriate, participate in each of the seven complementary actions:

1. Increase Surface Water Diversions
2. Implement actions to meet customer needs while reducing diversion impacts in the drier years
3. Support an improved pattern of fishery flow releases from Folsom Reservoir
4. Support Lower American River Habitat Management Element
5. Support the Water Conservation Element
6. Support Groundwater Management Element
7. Support the Water Forum Successor Effort

Under this effort, signatories have participated and supported negotiations of the City's Folsom Reservoir water diversions renewal agreement with the United States Bureau of Reclamation, participated in regional public education efforts, endorsed water conservation and water supply efforts, supported or not opposed necessary rate and fee adjustments necessary to support water conservation and water supply management activities, continued negotiations to endorse improved pattern of fishery flow releases from Folsom Reservoir, negotiations and advocacy positions pertaining to the State of California Sacramento/San Joaquin Delta Plan issues and other environmental issues that have allowed Folsom to continue with necessary capital projects and water management activities necessary to sustain planned growth and continue reliable water service.

This resolution will authorize the City Manager to execute an Inter-Agency Agreement for Cost-Sharing of the Water Forum 2.0 Agreement Update for Fiscal Year 2023-24 and Fiscal Year 2024-25.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$70,952 or greater shall be awarded by City Council.

ANALYSIS

Under the current Water Forum Agreement (WFA), the Water Forum Successor Effort (WFSE) will continue negotiations of various environmental activities to protect the Lower American River, support the renewal of the water diversion agreements of the signatories, develop updates as necessary the Lower American River Flow Management Standard, and assist with other necessary regional water management activities to meet WFSE goals. Continued participation and compliance with the WFA will allow Folsom to secure a reliable dry-year water supply and continue with planned capital improvements necessary to sustain growth and reliable water deliveries to the City. Our historic success in this program has positioned both Folsom and the region to be eligible for funding opportunities through collaborative efforts to meet our Water Forum commitments.

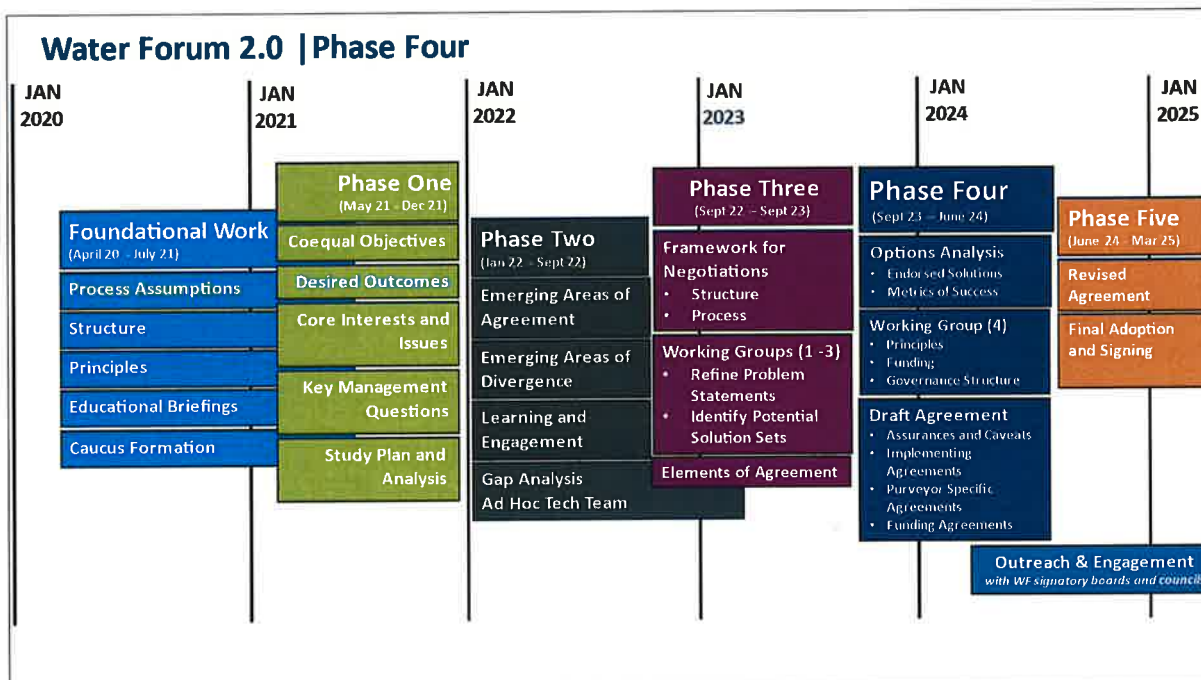
The Lower American River is one of the Sacramento region's greatest treasures. In 2000, 40 agencies and businesses came together to sign the landmark WFA, a visionary long-term plan created to balance two coequal objectives: provide a reliable and safe water supply for the region's economic health and planned development through to the year 2030; and preserve the fishery, wildlife, recreational, and aesthetic values of the lower American River. And now, after 20+ years of successful implementation, the Water Forum members have come together to negotiate a successor agreement that can guide the Water Forum's efforts well into the future.

The negotiating process is structured to foster an inclusive and transparent process that brings together affected parties in a collaborative and constructive dialogue. The process began in April 2020 and has been working diligently over the past several years to develop the

framework for the negotiations. Water Forum members are now ready to begin negotiations and complete an updated agreement over the next two years. The scope of work necessary to update the WFA consists of the following:

1. **Facilitation Services and Agreement Development** - This task will include preparing meeting agendas and summaries, meeting material development, organization, and distribution, and active facilitation within the meetings. The facilitation team will be responsible for developing and maintaining the meeting framework for the negotiations including meeting objectives and outcomes, schedules, and roles and responsibilities.
2. **Technical Services** - The Water Forum 2.0 process is expected to require support from technical experts to inform negotiators as to the potential benefits and costs of solution sets. The topics of needed expertise include hydrology, river hydraulics, fisheries biology, river ecology, CalSim modeling, temperature modeling, climate resiliency, state and federal regulatory process, and others. The technical experts will participate in working group meetings and provide valuable analysis as requested.

The scope of work to be completed for the Water Forum 2.0 process will be organized across two fiscal years from July 2023 through June 2025. The phases of activities are illustrated below and include: an initial phase focused on the identification of solution sets based on the identified problems, a phase focused on the evaluation and selection of the preferred alternatives (which will form the basis for the Draft agreement), and finally the finalization of the agreement.



FINANCIAL IMPACT

The Fiscal Year 2023-24 Water Operating Budget includes funding for contractual services, including the Water Forum related expenses. Below is the proposed budget for FY 2023-24 and FY 2024-25. EWR staff will include the proposed costs in future fiscal year budgets. The City's share is \$33,579 for Fiscal Year 2023-24 and \$33,579 for Fiscal Year 2024-25 for a total of \$67,158.

Water Forum 2.0 Project Budget		Annual Costs		TOTAL
		FY 23-24	FY 24-25	
Task 1: Facilitation Services		\$ 425,000	\$ 352,500	\$ 777,500
1.1	Meeting Facilitation	\$ 237,000	\$ 211,500	\$ 448,500
1.2	Agreement Development	\$ 51,625	\$ 38,719	\$ 90,344
1.3	Strategic Planning and Coordination	\$ 136,375	\$ 102,281	\$ 238,656
Task 2: Technical Services		\$ 218,000	\$ 218,000	\$ 436,000
2.1	Meetings and Coordination	\$ 133,500	\$ 133,500	\$ 267,000
2.2	Analysis and Documentation	\$ 84,500	\$ 84,500	\$ 169,000
TOTAL		\$ 643,000	\$ 570,500	\$ 1,213,500
Allocated from WFSE FY 23-24 budget		\$ 72,500	\$ -	\$ 100,000
Total Funding Request		\$ 570,500	\$ 570,500	\$ 1,113,500

ENVIRONMENTAL REVIEW

This project is exempt from environmental review under the California Environmental Quality Act, Section 15301 "Existing Facilities".

ATTACHMENTS

1. Resolution No. 11043 – A Resolution Authorizing the City Manager to Execute an Inter-Agency Agreement for Cost-Sharing of the Water Forum 2.0 Agreement Update for Fiscal Year 2023-24 and Fiscal Year 2024-25
2. Inter-Agency Agreement for Cost-Sharing for Fiscal Year 2023-24 and Fiscal Year 2024-25 for the Water Forum 2.0 Agreement Update

Submitted,

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

ATTACHMENT 1

RESOLUTION NO. 11043

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTER-AGENCY AGREEMENT FOR COST-SHARING OF THE WATER FORUM 2.0 AGREEMENT UPDATE FOR FISCAL YEAR 2023-24 AND FISCAL YEAR 2024-25

WHEREAS, the City of Folsom signed, in January 2000, the Water Forum Agreement; and

WHEREAS, the City of Folsom, through the Water Forum Agreement, has agreed to participate in the Water Forum Successor Effort (WFSE); and

WHEREAS, the WFSE has been instrumental in supporting the City of Folsom in numerous water management activities that has allowed Folsom to proceed with necessary capital projects; and

WHEREAS, the Water Forum Agreement signatories developed a new framework for negotiations to update the current agreement; and

WHEREAS, the Water Forum 2.0 agreement update process will consist of facilitation services, agreement development, and technical services; and

WHEREAS, based on the Fiscal Year 2023-24 and Fiscal Year 2024-25 cost of \$33,579 per year, sufficient funds are budgeted and available in the Water Operating Fund (Fund 520); and

WHEREAS, the agreement will be in a form acceptable to the City Attorney:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the City Manager to execute an inter-agency agreement for cost-sharing of the Water Forum 2.0 agreement update for fiscal year 2023-24 and fiscal year 2024-25.

PASSED AND ADOPTED this 13th day of June, 2023, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Rosario Rodriguez, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK

ATTACHMENT 2

**Interagency Agreement
For Cost-Sharing the Fiscal Year (FY) 2023-24 and FY 2024-25
Water Forum 2.0 Agreement for the City of Sacramento, on behalf of the
Sacramento City-County Office of Metropolitan Water Planning**

THIS AGREEMENT is made and entered into on July 1, 2023, by the City of Sacramento (on behalf of the Sacramento City-County Office of Metropolitan Water Planning (CCOWMP), as known as the “Water Forum”); and among the agencies listed below in Table 1. Several agencies, as noted, will be covered under separate agreements (**Section III**). The parties to this agreement, in consideration of the mutual obligations set forth herein, agree to contribute the following amounts per fiscal year (July 1 to June 30) as follows:

Table 1. Water Forum 2.0 Contributions By Agency Per Fiscal Year			
Agency	Amount		
	FY 23-24	FY 24-25	Total
California-American Water Company	\$58,100	\$58,100	\$116,200
Carmichael Water District	\$16,530	\$16,530	\$33,060
Citrus Heights Water District	\$28,629	\$28,629	\$57,258
City of Folsom	\$33,579	\$33,579	\$67,158
City of Roseville	\$52,208	\$52,208	\$104,415
City of Sacramento, Department of Utilities	\$86,571	\$86,571	\$173,141
Del Paso Manor Water District	\$2,441	\$2,441	\$4,881
East Bay Municipal District (EBMUD)*	\$12,000	\$12,000	\$24,000
El Dorado County Water Agency (EDCWA)	\$5,705	\$5,705	\$11,410
El Dorado Irrigation District	\$50,506	\$50,506	\$101,013
Fair Oaks Water District	\$20,289	\$20,289	\$40,578
Golden State Water Company	\$24,217	\$24,217	\$48,434
Orange Vale Water Company	\$6,124	\$6,124	\$12,248
Placer County Water Agency	\$16,324	\$16,324	\$32,649
Sacramento Area Flood Control District (SAFCA)*	\$20,000	\$20,000	\$40,000
Sacramento County Water Agency	\$58,333	\$58,333	\$116,666
Sacramento Municipal Utilities District (SMUD)	\$12,000	\$12,000	\$24,000
Sacramento Suburban Water District	\$51,699	\$51,699	\$103,398
San Juan Water District (in Sacramento County)	\$15,246	\$15,246	\$30,491
Total	\$570,500	\$570,500	\$1,141,000
<i>*Funding will be provided under a separate agreement. Please see Section III for additional information.</i>			

Section I.

Funding Commitment: The parties have requested that additional funding, beyond the Water Forum’s annual operating budget, be collected to support the Water Forum 2.0 Project for FY 23-24 and FY 24-25. Please see **Attachment 1** for a scope and budget. The costs have been distributed by the partners based on a negotiated amount.

The following agencies have committed to fund the Water Forum 2.0 Project for FY 23-24 and FY 24-25.

Table 2. Water Forum 2.0 Contributions for FY 23-25			
Agency	Amount		
	FY 23-24	FY 24-25	Total
California-American Water Company	\$58,100	\$58,100	\$116,200
Carmichael Water District	\$16,530	\$16,530	\$33,060
City of Folsom	\$33,579	\$33,579	\$67,158
City of Roseville	\$52,208	\$52,208	\$104,415
City of Sacramento, Department of Utilities	\$86,571	\$86,571	\$173,141
Del Paso Manor Water District	\$2,441	\$2,441	\$4,881
East Bay Municipal District (EBMUD)*	\$12,000	\$12,000	\$24,000
El Dorado County Water Agency (EDCWA)	\$5,705	\$5,705	\$11,410
El Dorado Irrigation District	\$50,506	\$50,506	\$101,013
Golden State Water Company	\$24,217	\$24,217	\$48,434
Placer County Water Agency	\$16,324	\$16,324	\$32,649
Sacramento Area Flood Control District (SAFCA)*	\$20,000	\$20,000	\$40,000
Sacramento County Water Agency	\$58,333	\$58,333	\$116,666
Sacramento Municipal Utilities District (SMUD)	\$12,000	\$12,000	\$24,000
Sacramento Suburban Water District	\$51,699	\$51,699	\$103,398
Total	\$500,213	\$500,213	\$1,000,426

**Funding will be provided under a separate agreement. Please see Section III for additional information.*

The following agencies have committed to fund the Water Forum 2.0 Project for FY 23-24 only and will seek approval for FY 24-25 funding in June 2024 pursuant to Table 1.

Table 3. Water Forum 2.0 Contributions for FY 23-24 only	
Agency	Amount
	FY 23-24
San Juan Water District Consortium	
Citrus Heights Water District	\$28,629
Fair Oaks Water District	\$20,289
Orange Vale Water Company	\$6,124
San Juan Water District (in Sacramento County)	\$15,246
Total	\$70,288
<i>San Juan Water District Consortium includes San Juan Water District, Citrus Heights Water District, Fair Oaks Water District, and Orange Vale Water Company.</i>	

Section II.

Reimbursement: The City of Sacramento, on behalf of the CCOWMP, shall administer all consultant agreements and other expenses incurred during FY23-24 and FY 24-25 for the Water Forum 2.0 Project. 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.

The City of Sacramento Finance Department, on behalf of the CCOMWP, will invoice each cost-sharing partner at the beginning of each fiscal year, except in those instances where the cost-sharing partners have mutually agreed to be invoiced in another time period (i.e., quarterly invoices). It is understood and agreed that although this agreement only pertains to reimbursement for costs incurred during the period from July 1, 2023 to June 30, 2025, the Water Forum 2.0 Project could extend past June 30, 2025. Any reimbursement of costs incurred by CCOMWP after June 30, 2025 would be governed by a new or amended cost-sharing agreement.

Section III.

Separate Agreements: Sacramento Area Flood Control Agency (SAFCA) and East Bay Municipal District (EBMUD) have entered into separate agreements with the City of Sacramento, on behalf of the CCOMWP, to pay their share of the costs identified in Section II, above, up to the amounts set forth in Section I, 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 2.0 Project are independent contractors. Contractor employees assigned to perform contract work related to the Water Forum 2.0 Project are and will remain employees of the contractor and will not be considered employees of any of the signatory agencies for any reason.

DRAFT

Section VII.

Additional Terms and Conditions: The following additional terms and conditions were agreed to by the parties to be incorporated into this funding agreement specifically for the Water Forum 2.0 project:

1. Water Forum annual priorities, as described in the Water Forum Business Strategy (approved July 2022) will continue to include the Water Forum 2.0 project as a top priority for the FY 23-24 and FY 24-25. Annual progress on the Business Strategy is reviewed by the Coordinating Committee and approved by the Water Forum Plenary each year by September 1st.
2. The Coordinating Committee includes two members of each caucus and meets with the Executive Director on a monthly basis to provide direction on Water Forum Successor Effort operations, including communications and implementation of the business strategy; and to approve the annual budget and work plan. In addition, the Coordinating Committee, and the City of Sacramento City Manager or designee, will provide project oversight and approve an annual scope of work for the Water Forum Project, which includes schedule and budget, that supports the established priorities will be submitted to the Coordinating Committee. The budget will also include look-ahead estimates for the second year.
3. The Water Forum 2.0 Project annual scope of work must be approved by the Coordinating Committee and the City of Sacramento City Manager, or designee, ahead of preparing the next fiscal year budget by March 1st each year.
4. The Coordinating Committee shall review the progress on the approved work at its regular meetings.
5. Any out-of-scope requests or technical studies are to be approved by the Coordinating Committee prior to commencement of any work and subject to adequate funding within the current budget.
6. A mid-year progress report on or before January 1st each year covering work completed and work not completed, and budget status are to be presented to the Coordinating Committee and the City Manager, or designee. Both will be presented alongside the approved annual schedule and budget.
7. If progress is not on track with annual expectations at the mid-year report, a plan for correction is to be submitted to the Coordinating Committee and the City Manager, or designee, for approval. Work may be suspended if progress is severely off-track.
8. Subsequent year funding is subject to effective progress of the previous year and agreed upon annual priorities and scope of work for the coming year.

Section VIII.

Single Agreement: This agreement may be signed in multiple counterparts, which together will constitute a single agreement.

This agreement is executed as follows:

AGENCY NAME

DRAFT - TO BE UPDATED

By: _____

Date: _____

Print Name:

APPROVED AS TO FORM:

By: _____

Date: _____

Print Name:

ATTEST:

By: _____

Date: _____

Print Name:

DRAFT

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CITY OF
FOLSOM
DISTINCTIVE BY NATURE