



**REPORT TO MAYOR AND CITY COUNCIL**

AGENDA ITEM

TO: THE HONORABLE MAYOR  
AND CITY COUNCIL

DATE: September 1, 2009

SUBJECT: Authorize Memorandum of Understanding: Sacramento River  
Watershed Sanitary Survey Update

**Report in Brief**

The California Surface Water Treatment Rule (SWTR) requires recurring updates to the Sacramento River Watershed Sanitary Survey; the next one is due by December 2010. This survey is an ongoing project partnership between the cities of Sacramento, West Sacramento, Roseville; and Sacramento County, Placer County and East Bay Municipal Utility Districts, to maintain regulatory oversight of water quality developments within the Sacramento River watershed.

The Davis-Woodland Water Supply Project (DWWSP) has a vested interest in cost-effectively partnering on this and future survey updates and DWWSP project staff has coordinated with the other municipal water purveyors on a Memorandum of Understanding (MOU) for sharing costs for completing this update. The intent of the MOU is to complete the Sacramento River watershed sanitary survey update, for a combined DWWSP share of up to \$29,000 over a two year period with Woodland expenditures up to \$15,000 over a two year period.

Staff recommends that the City Council authorize the City Manager to execute the attached Memorandum of Understanding and any necessary amendments with the other municipal water purveyors, on behalf of the City of Woodland and as contract lead on behalf of the DWWSP project partners.

**Background**

The California Code of Regulations, Title 22, Chapter 17 establishes the California SWTR which requires all surface water suppliers to conduct a sanitary survey of their watershed(s) at least once every five years. The first of these studies was required to be completed prior to January 1, 1996 or prior to issuance of a California Department of Public Health (DPH) permit for a new or expanded surface water treatment facility. In December 1995, the cities of Sacramento and West Sacramento submitted a sanitary survey of the Sacramento River watershed to DPH. In December 2000, the

cities of Sacramento and West Sacramento submitted the required first update of the sanitary survey to DPH. In April 2006, the cities of Sacramento and West Sacramento, Sacramento County Water Agency (SCWA), and East Bay Municipal Utility District (EBMUD) submitted the required second update of the sanitary survey to DPH. The next update to the sanitary survey is due to DPH by December 2010.

The primary purpose of the sanitary survey is to determine the degree of treatment required to assure to the greatest degree practicable that water supplies are free of microbial and other contaminants of concern. To comply with this requirement and obtain the necessary information to determine required levels of treatment, sanitary surveys must provide a description of the source waters' watershed, identify potential sources of contamination within the watershed, describe watershed management practices, and assess the microbial contaminant load at the points where raw water is diverted to treatment plants.

The proposed approach for completing the sanitary survey update includes utilizing information previously collected in the original and the first and second updates to the Sacramento River Watershed Sanitary Survey reports, optimizing use of information from watershed programs, providing updates on various sources of concern in the watershed, evaluating new data on sources and constituents of concern, determining required levels of treatment, and providing an updated set of recommendations. The study area for the Sacramento River Watershed Sanitary Survey will be from the Feather River confluence to Freeport.

### **Discussion**

Over the past year, representatives of the DWWSP team met with Sacramento River watershed stakeholder agencies in order to consider whether the SWTR sanitary survey requirements for all agencies' current or potential future facilities can best be met through a jointly administered and financed project. These meetings included the cities of Sacramento, West Sacramento, Roseville, and EBMUD, Placer County Water Agency, and Sacramento County Water Agency. This effort resulted in the development of the attached Memorandum of Understanding (MOU) regarding apportionment of costs for a Sanitary Survey Update of the Sacramento River watershed area and follow-up activities. All other participating agencies have reviewed, coordinated and recommend approval of the attached MOU.

The key provisions of the MOU are as follows:

- Provides for a Technical Committee to select the consulting firm, review work products and discuss report recommendations;
- Provides for a cost sharing arrangement in which the total costs of the project would be apportioned based on equal sharing of administrative costs and splitting costs of technical evaluations by applicability to each participant;

- Provides for the City of Sacramento to be the lead agency in administration of the Professional Services Agreement and for cost sharing of staff costs for project management consisting of work of mutual benefit to the participating agencies;
- Provides the option for participating agencies to share costs of follow-up work, based on the results of the sanitary survey;
- Provides agreement for Woodland, which is participating in the MOU on behalf of the Davis-Woodland Water Supply Project (DWWSP), to assign Woodland's rights and obligations to the DWWSP upon formation of a DWWSP joint powers agency.

Adoption of the proposed MOU would provide an opportunity for the DWWSP and other water purveyors to work together cooperatively and cost-effectively to share the costs of this mandated study, which otherwise would need to be performed individually. Performing this study individually instead of collaboratively would significantly increase the cost to the City and the DWWSP.

### **Fiscal Impact**

This effort incurs no cost to the General Fund. Per the MOU, the sanitary survey update is for a total project cost not to exceed \$200,000 and up to \$16,000 per year per participating agency for voluntary follow-up activities. In addition, if requested by the City of Sacramento, the parties participating in the voluntary follow-up activities will each pay an equal share of the cost of Sacramento's project management services as lead agency for each activity, up to \$500 per agency.

The DWWSP budget for this two-year effort is \$29,000 to cover the partner's share of the watershed sanitary survey update. The City of Woodland's budgeted share is \$15,000 overall or approximately \$7,500 per year and is sufficiently covered by the FY 09/10 and 10/11 CIP for the Davis-Woodland Water Supply Project, #08-07. Funding is two-thirds through the Water Enterprise, Fund 210, and one-third through the Water Development, Fund 584. Each Project Partner will separately approve the authorization and funding for all shared joint-funded project initiatives.

### **Public Contact:**

Posting of the City Council agenda.

**SUBJECT:** Authorize Memorandum of Understanding: Sacramento River  
Watershed Sanitary Survey Update

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**ITEM:**

**Recommendation**

Staff recommends Council authorize the City Manager to execute the attached Memorandum of Understanding with the other municipal water purveyors, on behalf of the City of Woodland and as contract lead on behalf of the DWWSP project partners, to complete the Sacramento River watershed sanitary survey update, for a combined DWWSP share of up to \$29,000 over a two year period and Woodland expenditures up to \$15,000 over a two year period.

Prepared by: Dick Donnelly, P.E.  
Deputy Public Works Director

Reviewed by: Gregor Meyer  
Public Works Director

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Mark G. Deven  
City Manager

Attachment: Draft MOU

MEMORANDUM OF UNDERSTANDING  
REGARDING CONTRACTING AND APPORTIONMENT OF COSTS FOR  
A SANITARY SURVEY UPDATE OF  
THE SACRAMENTO RIVER WATERSHED AREA AND FOLLOW-UP ACTIVITIES

This Memorandum of Understanding (the "MOU") is entered into on \_\_\_\_\_, 2010, by and between the City of Roseville ("Roseville"), the City of Sacramento ("Sacramento"), the City of West Sacramento ("West Sacramento"), the City of Woodland ("Woodland") on behalf of the Davis-Woodland Water Supply Project (DWWSP), East Bay Municipal Utility District ("EBMUD"), Placer County Water Agency ("PWCA"), and Sacramento County Water Agency ("SCWA"), each referred to herein as a "party" and collectively referred to herein as the "parties".

**RECITALS**

A. The purpose of this MOU is to memorialize an agreement and understanding of the parties with respect to contracting and apportionment of costs for the 2010 sanitary survey update of the Sacramento River Watershed Area and potential optional follow-up activities based on the survey results.

B. The parties each are required by the State of California Department of Health Services, Office of Drinking Water to comply with regulations passed in June 1991 requiring all water suppliers using surface water sources to complete a sanitary survey of their respective watershed(s) and to provide an update report every five years (see California Code of Regulations, Title 22, Division 4, Chapter 17, Article 7, §64665).

C. This sanitary survey update also will be used to complete the watershed portion of the sanitary survey required for all surface water users as part of the Federal Interim Enhanced Surface Water Treatment Rule passed in December 1998 (see Federal Register, Vol. 63, No. 241, December 16, 1998, pp. 69478 et seq.).

D. The parties believe it to be in their best interest, as well as the public's best interest, to enter into a contract with a consultant to conduct the sanitary survey update and to cooperatively and jointly share in the cost of this update.

E. Some of the parties also may desire to share costs of various follow-up source water protection activities based on the results of the sanitary survey update.

NOW THEREFORE, in consideration of the mutual obligations set forth herein, the parties agree as follows:

1. Technical Committee: The parties hereby form a Technical Committee consisting of one representative of each of the parties, as identified on the list titled: "Sacramento River Watershed Sanitary Survey 2010 Update - Representatives", attached hereto as Exhibit "A" and fully incorporated herein by this reference. A representative named herein may, from

time to time or permanently, designate an individual to act on the representative's behalf. Meetings of the Technical Committee may be attended by anyone authorized by any representative. The purpose of the Technical Committee will be: a) to assist in the solicitation and selection of one or more individuals or firms to prepare a sanitary survey update on the Sacramento River Watershed area; b) to share information related to the contract negotiations and the technical work for the sanitary survey; b) to review consultant progress reports and work products for the sanitary survey; c) to discuss consultant recommendations concerning the sanitary survey; d) to take such other action as the Technical Committee deems appropriate to further the interest of the parties related to the Sacramento River Watershed sanitary survey. The Technical Committee shall meet quarterly, or as needed, at the City of Roseville Environmental Utilities Department office at 2005 Hilltop Circle, Roseville, California or City of Sacramento, Department of Utilities office at 1395 35<sup>th</sup> Avenue, Sacramento, California and at other such times and places as the Technical Committee may agree.

2. Decisions of Technical Committee: A minimum of 5 representatives shall constitute a quorum which shall be necessary for the Technical Committee to take action at any meeting. The parties expect and intend that decisions of the Technical Committee will be made by unanimous agreement of the representatives present at the meetings. In the event of disagreement over any decision, the representatives present will vote to resolve the disagreement, with each representative having one vote, and the vote of the majority of representatives present will be the decision of the committee. If a decision cannot be made by consensus or majority vote, as described above, then a meeting will be held between the representatives listed in Exhibit "A" to resolve the disagreement.

3. Selection of Consultant: Sacramento will act as the lead agency in contracting with one or more consultants to complete the sanitary survey. The one or more consultants will be selected by the Technical Committee. Selection will be in accordance with standard City of Sacramento consultant selection procedures.

4. Cost Sharing, Invoices: Sacramento will be responsible for administering the contract for the consultant services. It is understood and agreed, however, that the contract with the consultant will in part be a pass-through agreement, and the parties shall each pay a percentage of the contract amount, as agreed upon and shown below. The parties will also share project management costs incurred by Sacramento for activities of mutual benefit to the Committee, such as contract management, agency coordination, and oversight of the consultant, in a total amount not to exceed \$5,000. The parties' percentage shares of the contract and Sacramento project management costs are set forth in Exhibit "B", attached hereto and incorporated by this reference.

The estimated project costs are approximately \$150,000. This MOU provides for an additional \$50,000 to provide a contingency for unforeseen additional costs and a reasonable range of potential consultant costs. Any costs funded by such contingency also shall be paid in accordance with the percentage shares specified in Exhibit B.

Sacramento will invoice Roseville, West Sacramento, Woodland (on behalf of the DWWSP), EBMUD, PCWA, and SCWA for consultant and project management costs. Within 45 days of the receipt of said invoice(s), the parties shall remit their percentage share of said invoice(s), as shown in Exhibit B, to reimburse Sacramento for payment of the consultant and project management costs. Sacramento will make all reasonable efforts to provide said invoices on a quarterly basis. Copies of consultant invoices will be distributed to the Technical Committee representatives on a quarterly basis, or upon request at any time. In the event one or more parties believe an invoice should not be paid in whole or in part, the dispute shall be resolved by the Technical Committee as set forth herein. The parties agree to exercise good faith and diligence in the resolution of any disputed invoice amounts; provided, however, that notwithstanding any provision contained herein, Sacramento shall be reimbursed by each of the other parties for their respective percentage share of any and all money ultimately paid to the consultant by Sacramento and project management costs incurred by Sacramento.

The parties' percentage shares set forth in Exhibit B may only be changed by amendment to this MOU as provided in Section 9, below.

5. Price Ceiling: In no case shall the total value of costs shared pursuant to this MOU exceed \$200,000, except by amendment of this MOU.

6. Additional Cost Sharing: Based on the results of the Update, the parties may wish to share in the costs of follow-up joint source water protection activities. Participation in such activities shall be at the option of each party, and for participating parties such activities shall be conducted and costs shall be shared as provided in this Section 6. For these activities, Sacramento will contract with the consultant(s) performing such activities and will provide project management services, such as contract management, participating agency coordination and oversight of the consultant, with input from the participating parties' Technical Committee representatives, who also shall review and approve an annual budget for the performance of such activities. A party's participation in such activities shall be confirmed in writing by the participating party's Technical Committee representative upon or before approval of the annual budget. The costs of each such activity will be split evenly among the participating agencies that benefit from such activity, as provided below:

- Watershed activities from Feather River confluence to Bryte Bend WTP intake: benefits all parties to this MOU
- Watershed activities downstream of Bryte Bend WTP to Sacramento River WTP intake: benefits Sacramento, EBMUD, and SCWA
- Watershed activities downstream of Sacramento River WTP intake to Freeport intake: benefits EBMUD, and SCWA

Notwithstanding any other provision of this MOU, no participating party shall be required to pay more than \$18,000 during a fiscal year for its share of all additional activities under this Section 6, except as may be otherwise agreed in writing by each such participating party. In addition, if requested by Sacramento, the parties participating in an additional activity will each pay an equal share of the cost of Sacramento's project management services for such activity, provided that such cost share shall not exceed \$500 per participating party for any given additional activity, except as may be otherwise agreed in writing by each such participating party.

Sacramento will invoice the parties participating in any given additional activity for each party's share of the applicable consultant costs and, if requested by Sacramento, project management costs. Within 45 days of the receipt of said invoice(s), each participating party shall remit its payment of the invoice, to reimburse Sacramento for payment of the consultant and project management costs. Sacramento will make all reasonable efforts to provide the invoices on a quarterly basis, provided that a participating party shall have the option of making one advance payment for the entire calendar year.

Copies of consultant invoices will be distributed to the participating parties' Technical Committee representatives on a quarterly basis, or upon request at any time. In the event one or more participating parties believe an invoice should not be paid in whole or in part, the dispute shall be resolved by the participating parties' Technical Committee representatives.

The parties agree to exercise good faith and diligence in the resolution of any disputed invoice amounts; provided, however, that notwithstanding any provision contained herein, Sacramento shall be reimbursed by each of the other participating parties for their respective share of any and all money ultimately paid to the consultant(s) by Sacramento for the performance of additional activities and project management costs incurred by Sacramento.

7. Notices: Any invoice, payment, notice or other written communication related to this MOU will be provided to those representatives identified on Exhibit "A".

8. Term of MOU: This MOU shall be effective as of the date it is signed by all parties and shall remain in effect until a new MOU is in place for the 2015 update to the Sacramento River watershed sanitary survey, all services and contracts covered by this MOU have been completed and performed and all payments required under this MOU have been made, or until terminated by the mutual written agreement of all parties or by operation of law, whichever occurs first.

9. Amendments: Any amendments to this MOU must be in writing and executed by all parties.

10. Assignment by Woodland to DWWSP Joint Powers Agency: Woodland anticipates participating in the formation of a joint powers agency pursuant to Government Code Section 6500 et seq., which joint powers agency will be responsible for the Davis-Woodland Water Supply Project (DWWSP). Because such joint powers agency is not yet formed, Woodland

is entering into this agreement on behalf of the DWWSP, as noted above. If such joint powers agency is formed, the parties agree that Woodland shall be allowed to assign Woodland's rights and obligations hereunder to the joint powers agency and the joint powers agency shall be allowed to assume all of Woodland's rights and obligations hereunder, upon the execution by Woodland and the joint powers agency, and the approval by their respective governing bodies, of an assignment and assumption agreement in a form acceptable to the Sacramento City Attorney.

11. Counterparts: This MOU may be executed by the parties in separate counterparts, each of which when so executed and delivered to Sacramento shall be an original, but all such counterparts shall together constitute but one and the same instrument. After all executed signature pages are returned to Sacramento, copies of the complete MOU will be mailed to each party.

12. General Provisions: Each party understands and agrees that there is no agency or joint venture relationship between the parties. It is further understood and agreed by the parties that notwithstanding anything contained herein, the employees of each party shall continue to be entirely and exclusively under the direction, supervision and control of the employing party.

With the exception of the agreed cost sharing of Sacramento project management costs, each party understands and agrees that any internal, in-house or administrative costs or expenses incurred by any party related to that party's obligations under this MOU shall be the sole responsibility of the party incurring said costs and expenses.

This instrument and any attachments hereto constitute the entire MOU between the parties concerning the subject matter hereof.

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CITY OF ROSEVILLE (Roseville)

Date: \_\_\_\_\_

\_\_\_\_\_  
W. Craig Robinson, City Manager

APPROVED AS TO SUBSTANCE:

\_\_\_\_\_  
Derrick Whitehead  
Environmental Utilities Director

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Sonia Orozco, City Clerk

\_\_\_\_\_  
Brita J. McNay, City Attorney

CITY OF SACRAMENTO (Sacramento)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

CITY OF WEST SACRAMENTO (West Sacramento)

Date: \_\_\_\_\_

By: \_\_\_\_\_

Christopher Cabaldon, Mayor  
City of West Sacramento

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Helen M. Kanowsky, City Clerk

\_\_\_\_\_  
Robert E. Murphy, City Attorney

City of Woodland (Woodland)

Date: \_\_\_\_\_

By: \_\_\_\_\_

Mark Deven, City Manager  
City of Woodland

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Sue Vannucci, Administrative Services  
Director / City Clerk

\_\_\_\_\_  
Andrew Morris, City Attorney  
Best, Best & Krieger

EAST BAY MUNICIPAL UTILITY DISTRICT (EBMUD)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title

APPROVED AS TO FORM:

By: \_\_\_\_\_  
for the Office of the General Counsel

PLACER COUNTY WATER AGENCY (PCWA)

By: \_\_\_\_\_  
Chair, Board of Directors

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Clerk, Board of Directors

SACRAMENTO COUNTY WATER AGENCY (SCWA)

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

## Exhibit A

### Sacramento River Watershed Sanitary Survey 2010 Update - Representatives

Mr. Derrick Whitehead  
Director of Environmental Utilities  
City of Roseville  
Environmental Utilities Department  
2005 Hilltop Circle  
Roseville, CA 95747  
(916) 774-5770/FAX 774-5690

Mr. Brian Martin  
Director of Technical Services  
Placer County Water Agency  
POB 6570  
Auburn, CA 95604  
(530) 823-4886/FAX 823-4884

Mr. Mike Yee  
Plant Services Division Manager  
City of Sacramento  
Department of Utilities  
  
1391 35<sup>th</sup> Avenue  
Sacramento, CA 95822  
(916) 808-5594/FAX 808-7955

Mr. Keith DeVore, Department Head  
Sacramento County Water Agency  
827 7<sup>th</sup> Street, Room 301  
Sacramento, CA 95816  
(916) 874-6851/FAX 874-8693

Toby Ross  
City Manager  
City of West Sacramento  
1110 West Capitol Avenue  
West Sacramento, CA 95691  
(916)617-4500/FAX

Jacques DeBra  
Utilities Manager  
City of Davis  
23 Russell Blvd.  
Davis, CA 95616  
530-757-5679/FAX (530) 758-4738

Mr. Mike Tognolini  
Manager, Water Supply Improvements Division  
East Bay Municipal Utility District  
POB 24055, MS 407  
Oakland, CA 94623-1055  
(510)287-0125/FAX (510)287-1295

## Exhibit B

### Cost Share for 2010 Sacramento River Watershed Sanitary Survey Update

Participating Agency	Cost Share (%) *					Compliance Evaluation (c)
	Equal Share (a1)	Equal Share (a2)	Cost Share as Applicable - Watershed Contaminant Sources (b)			
			A	B	C	
Roseville	14.28	0		7.14		10
Sacramento	14.29	16.67	34	25.01		20
West Sacramento	14.29	16.67		7.14		20
Woodland (on behalf of DWWSP)	14.28	16.66		7.14		20
EBMUD	14.29	16.67	33.3	25	50	10
PCWA	14.28	16.66		7.14		10
SCWA	14.29	16.67	33.3	25	50	10

a1) Equal share for appropriate consultant costs - technical evaluations and City of Sacramento project management costs. Costs shared by Roseville, Sacramento, West Sacramento, Woodland (on behalf of DWWSP), EBMUD, PCWA, and SCWA.

a2) Equal share for report preparation and contractor project management costs. Costs shared by Sacramento, West Sacramento, Woodland (on behalf of DWWSP), EBMUD, PCWA and SCWA

(b) Watershed Contaminant Sources appropriate to specific participating agencies

A = Recreation: Sacramento/American River confluence

1/3 each for Sacramento, EBMUD and SCWA

B = Urban Runoff: (50% split 7 ways, 50% split between City of Sacramento, EBMUD, and SCWA)

C = Wastewater – Downstream of Sacramento River Water Treatment Plant to Freeport:

1/2 each for SCWA and EBMUD

- c) Compliance evaluation costs split between five existing or potential future diversions:
- Potential future Elverta Diversion:  
1/2 of 20% each for Roseville and PCWA.
  - DWWSP Intake: 20% Woodland (on behalf of DWWSP)
  - Bryte Bend Water Treatment Plant (WTP): 20% West Sacramento
  - Sacramento River WTP: 20% Sacramento
  - Freeport Diversion: 1/2 of 20% each EBMUD and SCWA
- (d) Supplementary tasks to be split among appropriate participating agencies
- Topics of mutual interest: 1/7 per participating agency
  - Related exclusively to the Elverta Diversion: 1/2 each for Roseville and PCWA.
  - Downstream of Bryte Bend WTP to Sacramento River Water WTP:  
1/3 each for Sacramento, EBMUD and SCWA
  - Downstream of Sacramento River WTP to Freeport: 1/2 each for EBMUD and SCWA