

RESOLUTION NO. 2022-311

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE CITY MANAGER TO EXECUTE A FUNDING AGREEMENT
WITH THE SACRAMENTO COUNTY WATER AGENCY FOR SUPPORT OF THE
DEVELOPMENT OF A ZONE 40 WATER SUPPLY MASTER PLAN AMENDMENT
RELATED TO THE KAMMERER ROAD/HIGHWAY 99 SPHERE OF INFLUENCE
AMENDMENT AREA**

WHEREAS, On May 14, 2015, a Sphere of Influence Amendment (SOIA) application for the Kammerer Road/Highway 99 Area was submitted to the Sacramento Local Agency Formation Commission (LAFCo); and

WHEREAS, in February 2018, LAFCo approved the proposal to amend the City of Elk Grove's Sphere of Influence (SOI) to include approximately 1,156 acres in the unincorporated area of the County of Sacramento ("the County"), bordered by Kammerer Road to the north, McMillan Road to the west, Eschinger Road to the south, and California State Route 99 to the east; and

WHEREAS, on June 14, 2019, the Elk Grove Crossings Project application was submitted to the City and included a request to annex approximately 320 acres within the Kammerer Road/Highway 99 SOI area from the County into the City in order to develop a mix of residential, commercial, light industrial, and public service uses; and

WHEREAS, on September 14, 2021, the City requested that SCWA produce a Zone 40 Water Supply Master Plan (WSMP) Amendment to support the annexation request associated with the Elk Grove Crossings Project; and

WHEREAS, the City and its consultant will be developing the WSMP Amendment satisfying SCWA's requirements and state law; and

WHEREAS, the City and SCWA staff desire to approve a Funding Agreement to support and review the development of the WSMP amendment, review associated environmental documents, and initiate the process of annexation of the area into SCWA Zones 40 and 41 should the findings of the WSMP Amendment support this action as feasible from water supply, infrastructure, and financial standpoints.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby authorizes the City Manager to execute the Funding Agreement with the Sacramento County Water Agency, in substantially the form attached hereto as Exhibit A, for support of the development of a SCWA Zone 40 Water Supply Master Plan Amendment related to the Kammerer Road/Highway 99 Sphere Of Influence Amendment Area.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 14th day of December 2022



BOBBIE SINGH-ALLEN, MAYOR of the
CITY OF ELK GROVE

ATTEST:


JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



JONATHAN P. HOBBS,
CITY ATTORNEY

EXHIBIT A

FUNDING AGREEMENT FOR KAMMERER ROAD/HIGHWAY 99 SPHERE OF INFLUENCE AREA FOR THE SUPPORT OF ZONE 40 WATER SUPPLY MASTER PLAN AMENDMENT DEVELOPMENT AND ANNEXATION INTO SCWA ZONES 40&41

THIS AGREEMENT is made this _____ day of _____ 2022, by and between the **Sacramento County Water Agency** (hereinafter referred to as "SCWA") a statutorily created district operating under the authority of and pursuant to the provisions of the Sacramento County Water Agency Act (California Water Code-Appendix, Chapter 66, commencing at Section 66-1 et seq.) and the **City of Elk Grove** (hereinafter referred to as "City"), a municipal corporation, regarding funding the support of the development of the Zone 40 Water Supply Master Plan Amendment (hereinafter referred to as the "Master Plan Amendment") for the Kammerer Road/Highway 99 Sphere of Influence Area (SOIA) and annexation of the SOIA into SCWA Zones 40 and 41.

RECITALS

- A.** In February 2018, the Sacramento Local Agency Formation Commission (LAFCo) approved a landowner initiated proposal to amend the City of Elk Grove Sphere of Influence (SOI) to include approximately 1,156 acres (1.81 square miles) in the unincorporated area of the County of Sacramento ("the County"), bordered by Kammerer Road to the north, Mc Millan Road to the west, Eschinger Road to the south, and California State Route 99 (Highway 99) to the east.
- B.** The City desires to create, and LAFCo conditions require, a comprehensive plan for developing the SOIA with urban uses that would include, but are not limited to, residential, commercial and industrial uses.
- C.** In order to have logical planning boundaries for the Kammerer Road/Highway 99 Sphere of Influence the area generally depicted in Exhibit A, attached hereto and incorporated herein by reference (SOIA), would need to be annexed into SCWA benefit Zone 40 and Zone 41 and included in the Zone 40 Water Supply Master Plan (WSMP) via an amendment or update to the Plan. "Annexation" into SCWA Zone 40 and Zone 41 does not require LAFCo approval as it does not require a governmental "change or organization" or "reorganization" under the Cortese-Knox statutes.
- D.** On September 14, 2021, the City requested that SCWA produce a Zone 40 Water Supply Master Plan Amendment. SCWA and the City desire to conduct a Zone 40 Water Supply Master Plan Amendment consistent with SCWA and County rules and regulations, and State Law, in order to evaluate the delivery of Municipal and Industrial water throughout the SOIA. SCWA Board approval of the Amendment would be required to expand the Zone 40 boundary, collect fees, finance construction of facilities and provide service.
- E.** The SCWA Board cannot consider an Amendment to the Zone 40 Water Supply Master Plan without a Final Environmental Impact Report ("FEIR") adopted by the City of
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Elk Grove City Council. SCWA will need to review the Final Environmental Impact Report to be sure it provides adequate environmental coverage for the Zone 40 Water Supply Master Plan Amendment. The SCWA Board will have to consider, revise and update, as necessary, the Final EIR in connection with its own action as a responsible agency.

F. The City intends to establish a new metes and bounds survey for the Zone 40 and Zone 41 area to annex the SOIA into these SCWA benefit zones. SCWA will need to review this survey to ensure it meets the needs of Zone 40.

G. SCWA staff has certain technical expertise and will lead and support the development of the Master Plan Amendment. SCWA will own the Amendment and therefore has final say and total control over the contents of the Amendment.

H. The City will hire a consultant that meets the satisfaction of SCWA to produce, with direction from SCWA, the Master Plan Amendment. The consultant will also provide guidance and support on the CEQA process throughout the City's process. SCWA will review the CEQA materials and may require changes to ensure the materials (including any Environmental Impact Report) provide adequate coverage to approve the Amendment.

I. The City will hire a consultant that meets the satisfaction of SCWA to conduct a metes and bounds survey and submit to SCWA for review and approval by the County surveying section.

J. Pursuant to the terms and conditions of this Agreement, SCWA and the City shall proceed with a collaborative process to produce the Master Plan Amendment.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants set forth herein, SCWA and the City agree as follows:

Section 1. Recitals Incorporated. The foregoing Recitals are hereby incorporated herein by reference.

Section 2. Lead and Support. SCWA agrees to lead and support the development of the Master Plan Amendment, and review of associated water studies and environmental documents.

Section 3. Annexation. Pending the findings of the WSMP Amendment, SCWA agrees to initiate the process to annex the SOIA into SCWA Zones 40 and 41.

Section 4. Consultant Review, Selection, and Retention. The City intends to retain a consultant or consultants to assist SCWA and the City in the preparation and drafting of the Master Plan Amendment and to conduct a metes and bounds survey for the SCWA annexation of the SOIA through a direct contract between the City and the consultant(s), all at the City's expense. The City shall consult in good faith with SCWA as to the selection of any and all consultants that the City may retain to prepare and draft the Master Plan Amendment and conduct the metes and bounds surveys.

Section 5. Funding by the City. The City agrees to pay SCWA's anticipated reasonable costs to lead and/or support the development of the Master Plan Amendment for the area per the Scope of Work as depicted in Exhibit B, including review and approval of any water studies and environmental documents.

SCWA's cost shall be at hourly rates as provided in Exhibit C. SCWA shall bill the City every 30 days and payment shall be made by the City within 30 days of receipt of an itemized invoice showing the work SCWA has completed.

Section 6. WSMP Amendment Scope of Work. The City specifically agrees that the attached Scope of Work is a guideline for the final contents of the Master Plan Amendment. The City agrees that the draft land use plan and other General Plan information for the SOIA as provided in CEQA Notices of Preparation at the time of ratification of this Agreement will be the information used to develop the Master Plan Amendment. Any revisions in the land plan assumptions during the course of the Master Plan Amendment may trigger the need for additional work and exceed the budget provided in Exhibit C. Any changes to the land use plan that require additional money shall only be authorized by written authorization by the City.

Section 7. Reimbursement of Funds not Expended. SCWA agrees that if SCWA's cost of completing the Master Plan Amendment and Annexation is less than any deposit provided by the City, SCWA shall refund the City the unused balance within thirty (30) days of the work being completed.

Section 8. Termination. If the City decides to cease application for review of the master Plan Amendment and/or annexation of the SOIA, the City shall have the right to terminate this Agreement at any time upon thirty (30) days' prior written notice to SCWA. Upon any such termination, the City will be liable for paying costs only through the date of termination, and any unused funds shall be promptly returned to The City by SCWA with a final accounting.

Section 9. Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and assigns of the SCWA and the City.

Section 10. Invalidity. The invalidity, illegality, or unenforceability of any provisions of this Agreement shall not render the other provisions unenforceable, invalid, or illegal.

Section 11. Authority. The City represents that it has the legal authority to enter into this Agreement, and to perform its obligations hereunder, and shall submit to SCWA concurrent with the execution of this Agreement a duly authorized resolution or other document evidencing that authority and authorizing the person executing this Agreement to do so.

Section 12. Entire Agreement. This Agreement supersedes any prior agreements, written or oral, as to all issues referenced herein. No modification or amendment of this Agreement shall be valid unless such modification or amendment is in writing and

approved by all parties in the same manner as each party hereto approves this Agreement below.

Section 13. Notices. Any notice or communications from one party to another under this Agreement shall be in writing and sent by certified mail, return receipt requested, postage fully prepaid, and shall be addressed to:

Applicant: City of Elk Grove Attn:
City Manager
8401 Laguna Palms Way
Elk Grove, CA 95758

With copy to: City Attorney
8401 Laguna Palms Way
Elk Grove, CA 95758

DWR: Sacramento County Water Agency
Attn: Michael Peterson
827 7th Street, 3rd Floor
Sacramento, CA 95814

Section 14. Time. Time is of the essence in the performance of each and every term of this Agreement.

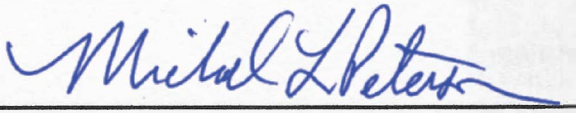
Section 15. Counterparts. This Agreement may be signed in counterpart and all counterparts together constitute one document.

Section 16. Interpretation and Venue. This Agreement shall be interpreted and applied in accordance with the laws of the State of California. Any litigation concerning this Agreement must be brought and prosecuted in the Sacramento County Superior Court.

Section 17. Waiver. A party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon another party's breach of this Agreement will not constitute a waiver of the performance, right, or remedy. A party's waiver of another party's breach of any term or provision in this Agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

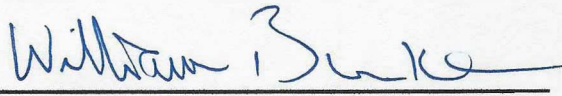
IN WITNESS WHEREOF, the parties have executed this Agreement, in counterpart, on the day and year first hereinabove written.

SACRAMENTO COUNTY WATER AGENCY, a statutorily created district

By: 

Michael Peterson, Director, Department of Water Resources
Agency Engineer

APPROVED AS TO FORM:

By: 

William Burke, County Counsel

APPROVED AS TO FORM:

By: _____

The City of Elk Grove

APPROVED AS TO FORM:

By: _____

City Attorney

party's breach of any term or provision in this Agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other term or provision. A waiver is binding only if set forth in writing and signed by the waiving party.

IN WITNESS WHEREOF, the parties have executed this Agreement, in counterpart, on the day and year first hereinabove written.

SACRAMENTO COUNTY WATER AGENCY, a statutorily created district

By: _____

"DWR"

APPROVED AS TO FORM:

County Counsel

By: _____

The City of Elk Grove

By: _____
Jason Behrmann, City Manager

APPROVED AS TO FORM:



Jonathan P. Hobbs, City Attorney

ATTEST:

Jason Lindgren, City Clerk

EXHIBIT A Kammerer Road/Highway 99 Sphere of Influence Area

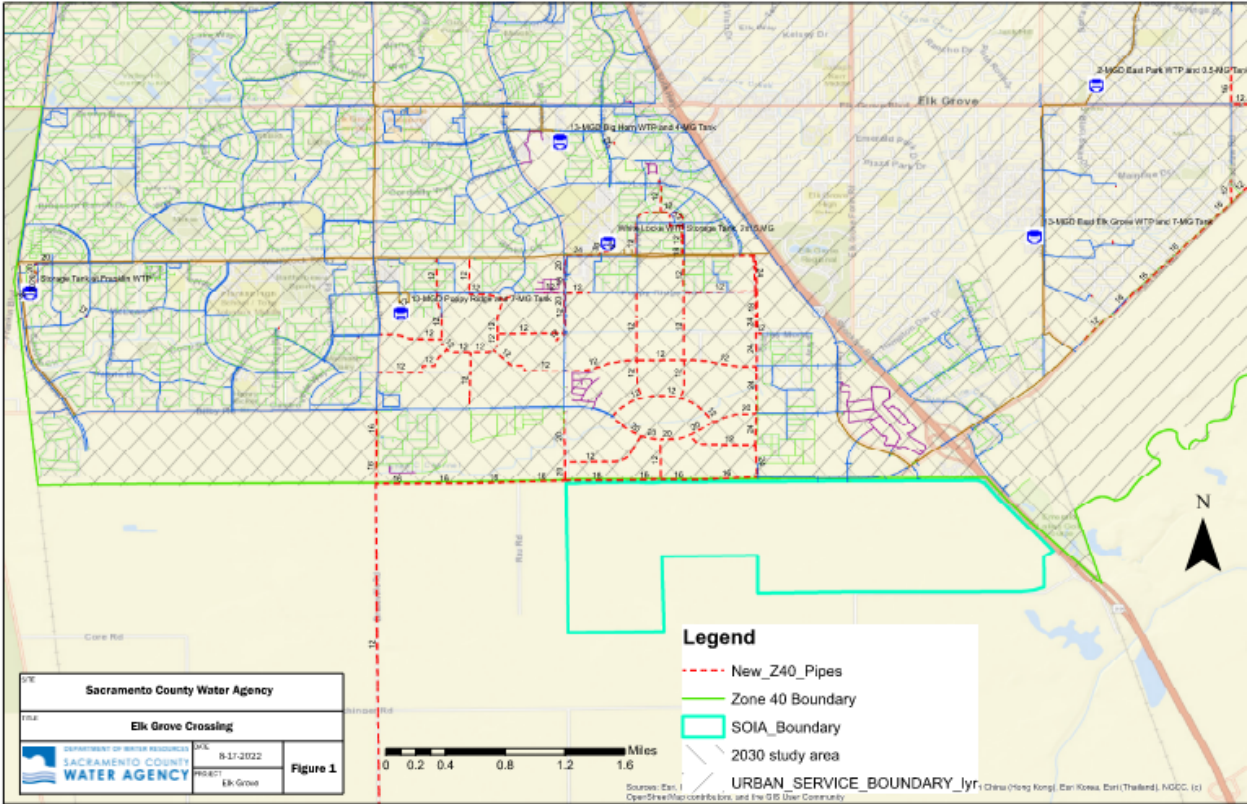


EXHIBIT B

Zone 40 Water Supply Masterplan Amendment Scope

BACKGROUND

This scope of work is to support a Water Supply Master Plan (WSMP) Amendment for the Kammerer Road/Highway 99 Sphere of Influence Area (SOIA).

SCOPE OF WORK

1. Background

Provide background information about the Elk Grove's SOIA Area. Explain why a water supply master plan amendment is needed. Discuss that the 2005 Zone 40 WSMP and subsequent project-specific amendments, in combination with the 2016 Water System Infrastructure Plan (WSIP) will be the basis for the development of the WSMP Amendment for the SOIA Area. The WSMP Amendment is needed to include the development in the Zone 40 WSMP and to allow the Zone 40 boundary to be moved to include the SOI area.

Discuss how this area fits into the South Sacramento Habitat Conservation Plan (HCP.) If it does not, discuss how it will work with the HCP to ensure the project meets HCP goals.

Documentation of these facts:

- A conjunctive use program providing redundancy between surface and groundwater is required.
 - Groundwater extraction and treatment plants can be designed to meet all of the demand. Surface water assets can be procured to meet demand in all year types and treatment volumes can be ensured.
- SCWA does not currently have surface water assets, groundwater, remediated groundwater, or recycled water to bring to this development as it is outside of the place of use of all water rights and contracts and outside of Zone 40. Therefore, surface water assets must be procured by the project proponent and groundwater will be developed inside of the project area.

2. Water demand estimate

2.1. Unit water demand factors review/update.

Describe the water demand estimate methodology. Document the unit demand factors used for the water supply master planning for Zone 40. Justify any updates to methodology.

2.2. Document the existing and future water demand estimates for Zone 40 without the SOIA area.

Document historical water production and demand growth projection in 5-year intervals through buildout.

2.3. Provide water demand estimates for Zone 40 with SOIA Area.

Provide a cumulative water demand analysis for Zone 40 with SOIA Area based on the land use information provided by the City. Also present the cumulative demand growth projection in 5-year intervals through buildout.

3. Description of water supply sources and availability for Zone 40

- 3.1. Provide an overview of the Water Forum Agreement (WFA).
- 3.2. Describe the SCWA's conjunctive use program and strategy to meet the future growth in Zone 40.
- 3.3. Describe the redundancy criteria for the SOIA.
- 3.4. Review the SCWA's surface water rights and contracts.
- 3.5. Describe the surface water right or contract brought into Zone 40 by the project proponent, which provides available surface water and meets all of the demands in all year types.
- 3.6. Review the availability of other water supply sources including groundwater, remediated groundwater, and recycled water.

4. Description of the Sustainable Groundwater Management Act

- 4.1. Describe the Sustainable Groundwater Management Act (SGMA) and its requirements for compliance for the South American Groundwater Basin.
- 4.2. Discuss the past activities and current status of SGMA implementation in the South American Groundwater Basin.
- 4.3. Discuss how SGMA may impact the availability of groundwater to continue the water supply plan identified in the WSMP.

5. Water supply sufficiency analysis

- 5.1. Perform a water supply sufficiency analysis to show a redundant surface and groundwater supply to serve the SOIA area.
- 5.2. Document the cumulative water demand vs. the water supply availability from current to buildout in 5-year intervals under wet/average year, single dry year, and multiple dry year conditions. Show that either surface or groundwater could be used independently in any of these year types.

6. Water system improvement analysis

- 6.1. Describe SCWA's existing and planned water systems – the overall Zone 40 water system and the system in the vicinity of the SOIA.
 - 6.2. Identify the water supply source(s) for the SOIA for the near term and buildout
 - 6.3. Perform water distribution system modeling to determine if the water system can deliver water to the SOIA without negatively impacting the existing and previously planned systems – under normal operational condition and under fire flow condition as well as ensuring all Operating goals for T-Mains and D-Mains are met (see Table 5-14 of 2016 WSIP) as well as all storage requirements are met.
 - 6.4. Identify water system improvements (if any) in order to deliver water to the SOIA without negatively impacting the existing and previously planned systems.
 - 6.5. Identify the potential cost related to the water system improvements. Update the Zone 40 CIP program accordingly and clearly show the additional CIP costs due to the SOIA area.
 - 6.6. Review and identify additional permits or insure the continued progression of the current water supply program. This section looks into the proposed water supplies and large infrastructure that
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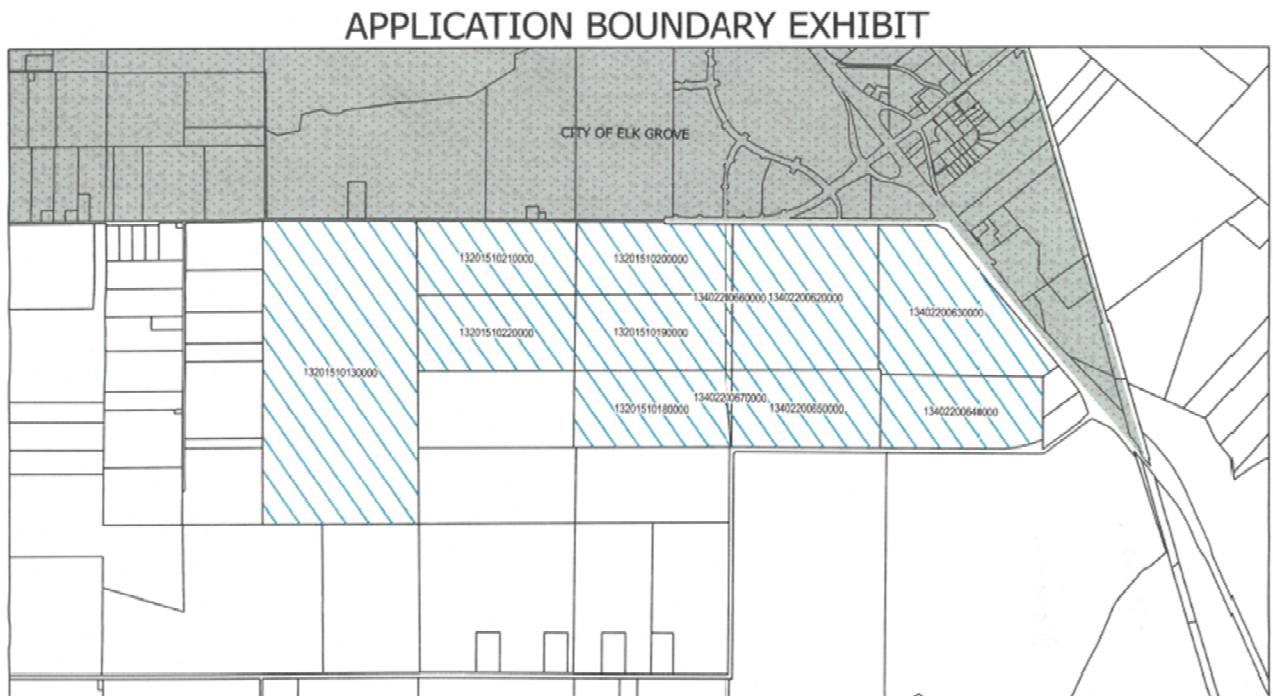
may be subject to permitting and thereby reduce its reliability in the event permits are not granted.

7. Reporting and documentation

The deliverable of this project will be the WSMP Amendment report with an executive summary. One draft document will be submitted to SCWA for review. The final document of the WSMP amendment will incorporate SCWA’s review comments. The draft document can be submitted in electronic format. The final document will be submitted in hardcover format (3 copies) and electronic format.

8. Project management and coordination

- 8.1. Coordination between the City, SCWA, South Sacramento Conservation Agency Board of Directors, and Sacramento Central Groundwater Authority.
- 8.2. Project management.



PROJECT NAME: Kammerer/99 Sphere of Influence Amendment, City of Elk Grove
 SUBJECT APN: 132-0151-013 - 132-0151-018 - 132-0151-019 - 132-0151-020 - 132-0151-021 - 132-0151-022
 134-0220-062 - 134-0220-063 - 134-0220-064 - 134-0220-065 - 134-0220-066 - 134-0220-067

Location Map – Kammerer Road/Highway 99 Sphere of Influence Amendment Area

EXHIBIT C – BUDGET

Task & Hourly Rate	Principal Civil Engineer (\$146.00 per hour)		Senior Civil Engineer (\$134.00 per hour)		Associate Civil Engineer (\$114.00 per hour)		Assistant Civil Engineer (\$97.00 per hour)		Senior Engineering Technician (\$64.00 per hour)		Total Hours	Total Cost
	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost		
Hours and Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	-	-
Coordination Meetings	10	\$1,460	16	\$2,144	40	\$4,560	4	\$388	0	\$0	70	\$8,552
SCWA Board Meeting	10	\$1,460	10	\$1,340	10	\$1,140	4	\$388	5	\$320	39	\$4,648
Project Coordination	6	\$876	40	\$5,360	20	\$2,280	20	\$1,940	8	\$512	94	\$10,968
WSMP Amendment Review	8	\$1,168	30	\$4,020	40	\$4,560	20	\$1,940	0	\$0	98	\$11,688
Water Study Review	4	\$584	10	\$1,340	14	\$1,596	25	\$2,425	11	\$704	64	\$6,649
Annexation	8	\$1,168	40	\$5,360	40	\$4,560	4	\$388	10	\$640	102	\$12,116
WSMP Amendment for Board Approval	4	\$584	40	\$5,360	20	\$2,280	8	\$776	8	\$512	80	\$9,512
Project Management	4	\$584	28	\$3,752	25	\$2,850	0	\$0	0	\$0	57	\$7,186
PERS EIR Review												\$5,000
Sacramento County Surveying Review												\$25,000
TOTAL	54	\$7,884	214	\$28,676	209	\$23,826	85	\$8,245	42	\$2,688	604	\$101,319

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2022-311

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on December 14, 2022 by the following vote:

AYES: **COUNCILMEMBERS:** *Singh-Allen, Spease, Brewer, Robles, Suen*

NOES: **COUNCILMEMBERS:** *None*

ABSTAIN: **COUNCILMEMBERS:** *None*

ABSENT: **COUNCILMEMBERS:** *None*



Jason Lindgren, City Clerk
City of Elk Grove, California