

DATE: December 11, 2007

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Authorization for the City Manager to File an Application for a Local Groundwater Assistance Grant with the California Department of Water Resources

RECOMMENDATION

That Council adopts the attached resolution authorizing the City Manager to submit an application to the California Department of Water Resources (DWR) for a Local Groundwater Assistance grant and to enter into a grant agreement.

BACKGROUND

A Groundwater Management Plan is a document that provides the framework to implement a management strategy for the groundwater basin. The components of a typical Groundwater Management Plan include a description of the physical structure and characteristics of the groundwater basin, the service area boundaries, groundwater quantity and quality data, known concerns regarding contamination, land subsidence or sea water intrusion, and basin management objectives. Developing a Ground Water Management Plan is a collaborative process that includes regulatory agencies and other stakeholders, establishment of an advisory panel, and public notice. The Local Groundwater Management Assistance Act of 2000 (AB 303) was enacted to provide grants to local public agencies to conduct groundwater studies, carry out groundwater monitoring and management activities. In the last five years, DWR awarded nearly \$28 million in Local Groundwater Assistance (LGA) grants to local agencies for 128 projects. With the passage of SB 1938 in 2002, agencies that apply for specified funding from DWR must have a Groundwater Management Plan that contains a number of mandated components such as management objectives for the groundwater basin.

DWR has funding available for Local Groundwater Assistance grants of up to \$250,000 to help agencies in conducting groundwater studies, monitoring, and management activities. If a grant is awarded, the funding will be used to prepare a Groundwater Management Plan. DWR requires that applicants submit a copy of a resolution adopted by the City Council authorizing a representative to apply and enter into the grant agreement.

DISCUSSION

Groundwater is typically a component of water supply. Until early 1960s, the City supplied groundwater to its customers. Since then, the City's sole source of water supply has been the City and County of San Francisco's regional system, operated by the San Francisco Public Utilities Commission (SFPUC). This supply is predominantly from the Sierra Nevada, delivered through the Hetch Hetchy aqueducts, but also includes treated water produced by the SFPUC from its local watershed and facilities in Alameda County. The City has five emergency groundwater wells that can produce about 9,500 gallons per minute (13.7 million gallons per day) of water. These wells do not operate concurrently with the SFPUC source and have been certified for short duration emergency use only. There are several private wells in the City, including those that supply water to the Mission Hills of Hayward Golf Course, Chabot College, and some cemeteries.

The Water System's Capital Improvement Program includes a project to prepare a Groundwater Management Plan. Such a plan typically studies groundwater conditions in order to evaluate the availability of water for various uses, such as large-scale irrigation and industrial uses, and the impact that such pumping and extraction would have on the groundwater basin and environment. The project would assist the City in its efforts to manage this important natural resource in the most effective manner.

Need for Groundwater Management - Groundwater is an important natural resource. Unacceptable consequences that could result from poor groundwater management include overdraft or depletion of groundwater supply, increased extraction costs, well deepening or replacement costs, water quality degradation including saltwater intrusion, land subsidence, decrease in stream flow, and environmental degradation. The City currently does not have a Groundwater Management Plan to address groundwater sustainability in the Hayward region that will lead to long-term protection and maintenance of groundwater quality and quantity for future generations. Other water agencies, such as the Alameda County Water District (ACWD), own and operate several wells in the neighboring service area, and have actively pursued groundwater management and monitoring strategies. Even the East Bay Municipal Utility District (EBMUD), which has not relied on groundwater for decades, has realized the importance of groundwater in the water portfolio and recently spent considerable resources to establish a one million gallon-per-day groundwater extraction program. Faced with limited groundwater supply and seemingly unlimited claims to rights to use groundwater, the City needs an efficient Groundwater Management Plan that will allow groundwater to be used for future beneficial use and protect the City's rights to access the groundwater within its service area.

Increased Focus on Groundwater - Groundwater is increasingly viewed as a valuable water source. The Groundwater Management Act (AB 3030), effective January 1, 1993, is designed to provide local public agencies with increased management authority over groundwater resources. In the last two decades, several groundwater studies were conducted in the East Bay Plain area. The Alameda County Flood Control and Water Conservation District (County) and the EBMUD conducted a series of studies with the purpose of developing a groundwater management program in the future, and to protect the ground water and surface water resources of the East Bay Plain area for beneficial use. In 2003, City of Hayward participated in a joint study with EBMUD and ACWD to evaluate potential operating impacts of EBMUD's proposed Bayside Groundwater Project on the City's

groundwater. The City also actively participated in meetings with EBMUD, ACWD, and the County to provide comments on EBMUD's Bayside Groundwater Project. Staff from the City is continuing to meet with staff from EBMUD and the County to share well monitoring data and discuss future management plans of groundwater in Hayward and western part of Alameda County in general.

FISCAL IMPACT

The FY 2008 CIP includes \$300,000 for preparing a Groundwater Management Plan. This amount was based on staff's estimate when the CIP was prepared. Information from the other water agencies, such as EBMUD, suggest the cost may be higher. The grant funding would supplement the City's funding and may reduce the need for an additional funding request for the next phases of the project, which could include a groundwater modeling effort. Staff will return to Council to request funding when the status of the grant application and the full cost of preparing the plan are known.

PUBLIC CONTACT

No public notice is needed to submit the grant application. If the City receives a grant from DWR and proceeds with the plan to prepare a Groundwater Management Plan, the City will be required to hold a public meeting to adopt a resolution of intention to draft a Groundwater Management Plan, based on the requirements of AB 3030. At the conclusion of this hearing, City Council may adopt a resolution of intention to draft a Groundwater Management Plan.

Staff will work collaboratively with neighboring water agencies and other stakeholders to prepare the Groundwater Management Plan.

SCHEDULE

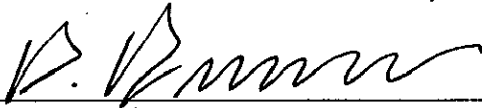
Due to the grant application submittal deadline of December 11, 2007, staff has forwarded the application to DWR. DWR staff has indicated that an adopted resolution may be submitted after this date. Assuming that City Council concurs with staff's recommendation to apply for this grant funding, the resolution will be forwarded to DWR as expeditiously as possible and the application will be deemed complete.

The plan must be completed within two years of the date of the grant commitment. A decision on our grant application from DWR is not expected until June 2008.

NEXT STEPS

If the grant is approved by the DWR, staff will prepare a Request for Proposal to be mailed to interested consultants. Staff will then return to the City Council for approval of a consulting firm to assist in preparing the Groundwater Management Plan.

Prepared by:



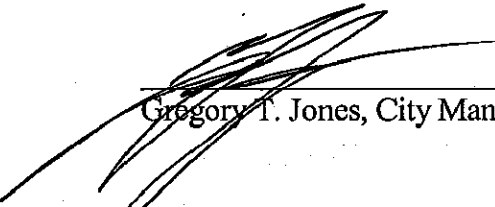
Alex Ameri, Deputy Director of Public Works

Recommended by:



Robert A. Bauman, Director of Public Works

Approved by:



Gregory T. Jones, City Manager

Attachment: Draft Resolution

