Woodland City Council Meeting City Hall, Council Chambers 300 First Street Woodland, California

MINUTES

CITY COUNCIL SPECIAL STUDY SESSION

SEPTEMBER 30, 2008

6:00 P.M.

CALL TO ORDER

At 6:05 p.m. Mayor Davies called the special study session of the Council to order.

ROLL CALL

COUNCIL MEMBERS PRESENT: Martie Dote, William Marble, Artemio

Pimentel, Marlin Davies

COUNCIL MEMBER ABSENT: Jeff Monroe

STAFF MEMBERS PRESENT: Mark Deven, Sue Vannucci, Mark

Hierholzer, Doug Baxter

PLEDGE OF ALLEGIANCE

Mayor Davies invited all in attendance to join in the Pledge of Allegiance led by Doug Baxter.

REPORTS OF THE CITY MANAGER

WASTEWATER DISCHARGE PERMIT; SURFACE WATER PERMIT; COST IMPLICATIONS

Engineer Baxter said the City has received a tentative waste discharge permit. The solutions for water supply and compliance for the waste discharge permit are very connected. The State limits are tied to environmental issues, including selenium, boron and salt. He indentified



which water wells in the City were over 30 years old, those approaching the State limits for nitrates, those pumping sand, and those with diminished pumping capacity. Some wells have failed and are permanently off line because of the elevated nitrate levels. Wells 15 and 22 which pump sand and gravel will be re-drilled at half the cost of a new well. All of the wells are increasing in nitrate concentration. Although development has paid its fair share and has drilled wells for new users, the City of Woodland has not made up for the lost capacity. The City cannot replace the wells at the same location because of nitrate problems. At peak hours there needs to be adequate production to keep the system fully pressurized. Instead of relying solely on wells, the City is increasing both the capacity from the new elevated tank and putting in some piping improvements, so that instead of 2,400 gallons per minute at peak hour, the City will be able to get almost 4,200 gallons per minute. The City will also be putting in some new ground level tanks with booster pump stations rather than replacing some of the wells.

Waste Pollution Control Facility Superintendent Hierholzer said the National Pollution Discharge Elimination System (NPDES) Permit governs what kind of materials the City has to treat in the Wastewater Treatment Plant and what the City is allowed to discharge out into Tule Canal. All municipalities and industrial users have these permits. Permits stem from the Clean Water Act of 1972 which gave the Environmental Protection Agency (EPA) authority to govern the discharge that goes into navigable waters. The City received its tentative discharge permit on August 28, 2008. The Regional Water Quality Control Board (RWQCB) has until 5:00 p.m. today to receive public comments on the permit. Today's agenda will deal with the electrical conductivity (EC), boron and selenium, and if all goes according to plan, staff will be attending a hearing before the RWQCB on October 24, 2008. The hearing allows everyone to make their comments and the RWOCB will make a ruling based on what they hear. The City has already made some comments on small parts of the permit which the Board will take under consideration.

Vice Mayor Pimentel asked what the impact is on the different levels of discharge for salinity, boron and selenium. Superintendent Hierholzer said salinity and boron relate directly to crop production. Salinity binds the soil so it takes more water to penetrate. The farmer will have to use more water or will suffer a reduced crop yield. Boron goes to the roots of certain crops and interferes with the root development. Selenium has a direct effect on eggshell development of birds.



Engineer Baxter said the standards are set to protect the environment. There are also standards to protect people who drink the water, and those standards are not the same. The City's drinking water is fully in compliance with State standards for human consumption, but due to the sensitivity of the ecosystem there is a higher standard.

Mayor Davies asked what the potential penalties are if the City does not meet the requirements. Superintendent Hierholzer said if the City does not meet the requirements for EC, boron and selenium, the Board will start assessing mandatory minimum penalties. The City had to pay a fine of \$12,000 for exceeding the limit, and other cities have paid fines in excess of \$450,000. U.C. Davis has an EC limit of 700, and received a fine of \$150,000 for each test in which they exceeded the EC limit. Every time the City takes a test, which is three times a week for EC, we could receive a minimum penalty of \$3,000 for exceeding the limit. A separate penalty would be received for exceeding the limits for boron and selenium and results in at least a \$3,000 fine. Fines could go up to \$10,000 per event. The Board wants a solution. The City has since partnered with the City of Davis which utilized several scientists from UC Davis to determine the City could get by on a discharge limit without any adverse effect on the crops. If the City decides it does not want to pursue the surface water project, the regional board will take action and impose penalties. If the City does not pursue some solution to the ground water, the Board would immediately rescind the interim limits and apply the basic plan limits.

Engineer Baxter said as the City moves forward in addressing the solutions for both the wastewater discharge permit and how to best serve the needs of the public there will be significant rate increases. The City needs to minimize the cost on the wastewater side as well. In addition to the salinity, boron and selenium, there are nitrates. The Sacramento River is essentially free from nitrates, iron, manganese, and arsenic. The City will be able to blend well water with the Sacramento River water and have significantly better water quality. Water softeners will not be necessary. Hard water that comes from groundwater creates problems with water heaters, faucets, plumbing, clothes washers, and dish washers. average most households will be saving \$18 per month with surface water. With surface water the City will not have to replace as many wells, and reverse osmosis treatment, which is costly, can be avoided. Once the capital cost of the surface water is over, water rates can be stable for a period of time. The City of Davis wanted to have an independent study, but the City of Woodland had a very detailed study done in 2004, which indicated that it was feasible for Woodland to go alone and solve the water supply project with a benefit to cost ratio of 2.2. The City of Davis did a



study about a year earlier and concluded that surface water was the way they needed to go. The two cities decided to save some costs by joining together.

Vice Mayor Pimentel asked what would happen if the City of Woodland moved forward with the surface project and the City of Davis and UCD decided not to move forward. He asked if Woodland would be able to charge the City of Davis and UCD for their use of the line. Engineer Baxter said some of the costs are huge, and it would be difficult to build enough for all of the partners unless the City knew the other agencies were going to come in. Construction would take place in a few years. Staff believes the partners will stay together as the project moves forward. Our City will utilize about 52% of the project water. The diversified water supplies for the project partners will involve on average the use of approximately 32 thousand acre feet per year of surface water, 15 thousand acre feet of purchased water per year, and 6.5 thousand acre feet per year of groundwater.

Alan Lilly, Attorney from Bartkiewicz, Kronick and Shanahan in Sacramento has been working with all of the partners for this project. He is confident that summer water will be available to purchase, but the real question is the cost. The plan is to have farmers pump groundwater which they use for irrigation. He said the City would have to pay the farmers the cost of developing new wells and pump the new wells.

Mayor Davies is concerned with the supply of surface water from the Sacramento River with all of the competing interests. The City is faced with the option of building a \$200 million plant, and he asked what assurance the City has that there will be water available. Mr. Lilly said he did not think Woodland or Davis could go forward with the project unless they had the water right permit and the necessary contracts for seasonal water. For appropriate water rights, the first agency to develop the diversion system with irrigation systems has the senior most right. Most of the development in the Sacramento Valley is for agriculture, and that is the summer demand for irrigation. In the other months there is plenty of unappropriated water in the Sacramento River, October through April. He said the State Water Resources Control Board has a process where every year they determine exactly when that date is, and he is confident the City will be able to get the permit for surface water obtained by new water right permit for those months.

Vice Mayor Pimentel left the Council meeting at 6:55 p.m.



Council Member Marble asked if the City secures the rights, could the State preempt that right. Mr. Lilly said for the State to make that effort to preempt the right, there would have to be a major change in State law. If there is any condemnation of water rights by Southern California against Northern California, the State would condemn agricultural rights and not municipal rights because the just compensation, the value of the water, would be so much smaller. The City is on solid legal ground if we can get the surface water project going.

Vice Mayor Pimentel returned to the Council meeting at 6:58 p.m.

Mayor Davies asked what "wet water" is and how purchasing groundwater that is pumped effects the City's water. Mr. Lilly said if the City enters into an agreement with a farmer North of Woodland to have water pumped from the Sacramento River rather than water from the irrigation district, the concern of the Department of Water Resources is that the farmer is still depleting the surface water. That would be considered "wet water." The transfer of waters has been going on for about 20 years in California. The Department of Water Resources requires that the wells used in the programs be at least two miles from the Sacramento River.

Engineer Baxter said a JPA is being developed to spell out the water right and the full 45,000 acre feet of water could be used by any or all of the entities. It is probable that UCD will not be able to use all of the water they were originally intended by the year 2040, so the City of Woodland could use an additional 3 or 4 thousand acre feet of water. If the partners are not using the 45,000 acre feet of water, the partners will not have permanent entitlement of that full amount. Only the amount used by 2040 is what the partners will get. There will not be much capital outlay at the outset, but in 2012 major construction will start with significant capital outlay.

Vice Mayor Pimentel asked if the financing could be increased because of the interest rates. City Manager Deven said the financial market is in complete disarray at this time, and the City is delaying the issuance of water bonds waiting for the market to settle down. The hope is that Congress and other entities act and the financial markets are finally calmed down. Engineer Baxter said if the current economic conditions exist in the year 2012 there would be significant impact on the cost of issuance of the bonds.



Council Member Dote asked if the City intends to use the surface water to dilute the groundwater to comply with the City's discharge permit. Engineer Baxter said that is the plan and the vast majority of the customers will be using 100% surface water. During the hot months the City will be utilizing groundwater, approximately one gallon of groundwater for every two gallons of surface water.

Mr. Lilly said there are certain risks of temporary shut downs in a surface water supply, so 100 percent groundwater is the best backup. He said it is extremely unlikely that after a surface water system is running that there would be a permanent regulatory shut down.

Engineer Baxter said Superintendent Hierholzer will be preparing an annual report and will address these important issues. If development does not pay its fair share, the water rates will go up significantly. The City is looking at low use life line rates for low water users and a subsidy for low income households.

Mayor Davies feels the City has to go forward with the staff recommendation because the alternative is so much more expensive.

On a motion by Vice Mayor Pimentel, seconded by Council Member Marble and carried by the Members present, Council affirmed its support for the Davis-Woodland Water Supply Project as the most feasible means to comply with the new NPDES permit effluent limits for EC, Boron and Selenium and directed the development of a fiscal plan for complying with the new NPDES permit to include an update to the City of Woodland Water Pollution Control Facility Master Plan, water and sewer rate studies, and an evaluation of impact to development and other fees.

ADJOURNMENT

At 7:30 p.m. Mayor Davies adjourned the special study meeting of the Council.

Respectfully submitted,

SS: Sue Vannucci, CMC, City Clerk

Transcribed by: Jean Kristensen, Deputy City Clerk

Adopted by Council: January 19, 2010