



City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

**TO: THE HONORABLE MAYOR
AND CITY COUNCIL**

DATE: November 6, 2007

SUBJECT: Davis-Woodland Water Supply Project – Certification of final
Environmental Impact Report, Approval of Preferred Project & Direction
to Staff

Report in Brief

Recently the Cities of Woodland and Davis, and the University of California at Davis, (the Project Partners) jointly completed an Environmental Impact Report for the “Davis/Woodland Water Supply Project”. The Project would provide treated surface water from the Sacramento River to the Woodland and Davis communities. The following recommended actions will allow the Project Partners to pursue obtaining a water rights permit.

Staff recommends that the City Council:

- 1) Adopt the attached “Resolution Making Responsible Agency Findings Pursuant to the California Environmental Quality Act for the Davis-Woodland Water Supply Project, Approving the Project, and Adopting Environmental Findings Pursuant to the California Environmental Quality Act”, and direct the filing of the Notice of Determination; and
- 2) Authorize staff to execute amendments to the Project Partners’ MOU (attached) & take actions necessary to diligently pursue the water rights application and Project funding opportunities; and
- 3) Authorize staff to take further actions as may be necessary to diligently pursue the water rights permit and Project implementation.

Background

Staff provided background information regarding this project at the October 23, 2007 City Council Workshop on water issues, copies of which are available at the Public Works counter in City Hall. The City of Davis is the lead agency for this project. The Executive Summary to the

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Davis Woodland Water Supply Project Final Environmental Impact Report (FEIR) is attached; copies of the entire document are available at the Public Works counter in City Hall (not attached to this communication due to size) and at www.daviswoodlandwatersupply.com. Additional background information is provided in the City of Davis staff report to the Davis City Council that facilitated their October 16th, 2007 action on the EIR and approval of related actions, a portion of which is attached to this staff report (full 287 page document is available at the Public Works Counter, City Hall and at the City of Davis website).

Discussion

Findings of the EIR

The following information summarizes the significant findings of the FEIR.

Project Objectives (Page 1-6, FEIR)

The objectives include: a) Provide a reliable water supply to meet current and future water needs; b) improve water quality for drinking water purposes; c) improve the quality of treated wastewater effluent discharged by the Project Partners; and d) achieve these objectives without using agricultural water supplies in a manner that would cause long term or permanent fallowing of agricultural land.

Project Components (Starting on Page 1-9, FEIR)

- Sacramento River Diversion/Intake Facility with modern fish screen
- Pipeline conveyance from Diversion/Intake to Regional Water Treatment Plant Facility (WTP)
- WTP facility to provide advanced water treatment of surface water supplies for the Partners
- Pipeline conveyance from the WTP to the Davis, UC Davis and Woodland water service areas
- Local storage and distribution facilities (as necessary)
- New groundwater wells in potential water seller service areas (as necessary)

Other Alternatives Considered (Page ES-3, FEIR)

- No Development alternative – assumes no additional demands in the future, however does not meet Project Objectives in particular the various water quality objectives. The deep aquifer is suspected to be insufficient to meet future long-term needs.
- Tehama Colusa Canal Extension alternative – assumes reliance on point of diversion and conveyance through the TCCA facilities, however is more expensive than the preferred project, does not provide year-round water, requires more complex institutional arrangements, and is not the environmentally superior alternative.
- Treatment of Groundwater Supplies alternative – assumes reverse-osmosis treatment of water well supplies and disposal of brine discharged to the Carquinez Straits, however is the most expensive alternative, is very energy-intensive, does not address existing groundwater concerns and would be very difficult to secure necessary permits.

- Conservation-only alternative – This would require a 42% reduction in per-capita water use in the City of Woodland. The alternative relies on reducing demands in the future however does not meet Project Objectives in particular the various water quality objectives.
- Alternative diversion/intake locations, WTP locations, and pipeline alignments – the environmentally superior alternative for diversion/intake location, WTP location and pipeline alignment were selected as the preferred project.

Selection Of Preferred Alternative (Page ES-4 and Figure ES-1, FEIR)

- 51 Million Gallons per Day (MGD) diversion to serve the Partners' projected demands for the 2040 planning horizon using the option 1 diversion/intake facility (RD2035 location) pipeline conveyance route and Woodland WTP location as shown in Figure ES-1.
- Special Note: 2040 is selected as the planning horizon primarily because in the water right permit beneficial use must be exhibited by or before 2040 in order to receive a license for the water rights in the permit.
- Lower estimated annual greenhouse gas emissions (Table 3.8-9) from project operations.
- Environmentally superior alternative.

Significant Unavoidable Impacts

The Draft EIR studied several impacts that were determined to significant and unavoidable. These impacts are listed below in *italics*; the proposed mitigation is underlined.

Land Use and Agriculture

- *Construction of the proposed Project would involve changes in the existing environment that, due to its location or nature, would result in conversion of farmland, to non-agricultural uses.*
- *Operation of the proposed Project would convert economically viable prime farmland, unique farmland, or farmland of statewide importance as shown on maps prepared pursuant to the Farmland Mapping and Monitoring Program, to non-agricultural use. For the preferred project, there is no loss of prime farmland given the diversion/intake location, WTP location (currently ponds on property owned by City of Woodland) and pipeline alignment which will not disturb farming operations. Mitigation of lost agricultural land would be required at a 2:1 ratio, consistent with City standards.*

Air Quality

- *Project construction and/or operation would violate any air quality standard or contribute substantially to an existing or projected air quality violation. The Project would conflict with or obstruct implementation of the applicable air quality plan. Project construction and/or operation would expose sensitive receptors to substantial pollutant concentrations. These impacts are primarily related to construction-related activities.*

Noise

- *Project construction and/or operation would expose persons to or generate noise levels in excess of applicable standards. The Proposed Project would cause a substantial temporary or periodic increase in ambient noise levels in the Proposed Project vicinity above levels existing without the Proposed Project.*

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- These impacts are primarily related to construction-related activities.

Public Services and Utilities

- *The Project would require or result in the construction of new wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects. This impact would be addressed through a separate environmental analysis.*

Aesthetics

- *The Project could substantially degrade the existing visual character or quality of the site and its surroundings.*
- *The Project would create a new source of substantial light or glare that would adversely affect nighttime views in the area. These are visual impacts to those living in the River corridor in the vicinity of the modernized intake structure.*

Growth Inducing Effects

- *The proposed project would facilitate population growth and development by removing an obstacle to planned growth that is limited by the supply of municipal drinking water available to the Project Partners or by limits on wastewater discharge quality that may be imposed by the CVRWQCB. Most of the water supply capacity from the proposed project would replace the Partners' old water well capacity and any future demands served by the project beyond those contained in currently adopted general plans (2010 by City of Davis, 2025 by City of Woodland, and 2015 by UC Davis) is the component addressed in this section.*

Because of the significant unavoidable environmental impacts, approving the project requires the City to make a determination that project benefits “override” the environmental impacts. The override findings, included in the attached resolution, include the following:

- The Project will increase the reliability of the Project Partners' water supplies by diversifying the number of water sources used. This will provide the Project Partners better protection from unpredictable hydrological conditions such as drought.
- The Project will improve the quality of drinking water served to customers within the Project area.
- Because the quality of water delivered to the Project Partners' customers will be improved, the Project will result in a reduction in the number of water softeners. This will have beneficial impacts on water quality by reducing the salt load in treated effluent discharges.
- The Project will improve the quality of treated wastewater effluent discharged by the Project Partners by substituting treated surface water from the Sacramento River for a substantial portion of existing groundwater supplies. Because the treated surface water is substantially lower in salinity than the existing groundwater supplies, this will provide the Project Partners with a sensible and cost-effective strategy for reducing the salt loads in their treated wastewater effluent.
- The Project will protect groundwater resources within Yolo County by greatly reducing the Project Partners' pumping from the intermediate and deep aquifers. This will ensure that pumping from the aquifers does not exceed their safe yield or result in overdraft.
- The Project will reduce the potential for land subsidence within Yolo County by greatly reducing the Project Partners' groundwater pumping.

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- The Project will protect the quality of Yolo County's groundwater resources by reducing the risk that future pumping from the deep aquifer would cause that aquifer to become contaminated with lower-quality water from the intermediate aquifer.
- The Project will reduce fish mortality in the Sacramento River by replacing the water transferors' unscreened diversions with the Project Partners' state-of-the-art screened diversion.
- The Project will reduce the Project Partners' greenhouse gas emissions by greatly reducing the amount of groundwater they pump. This will facilitate the Project Partners' compliance with AB 32.
- The Project will ensure that the cities have adequate water supplies available to permit the development needed for them to meet their share of existing and future Regional Housing Needs Allocations.
- The Project will ensure that UC-Davis has adequate water supplies available to permit it to accept its share of the University of California's system-wide growth. This will help the University of California fulfill its constitutionally mandated mission to provide higher educational opportunities for the top tier of California's graduating high school classes.
- The Project will ensure that UC-Davis has adequate water supplies available to permit it to fulfill its important functions for agricultural research. This will help the University of California fulfill its mission to provide the primary state-funded institution for public research.
- The Project will boost the local economy by providing temporary employment for construction workers.
- The Project will boost the local economy by providing permanent employment for Water Treatment Plant employees.

Also included in the EIR process was consideration of the possible effects of global warming and/or climate change on the resources involved with this analysis. All of the latest research and interpretations therein were considered including those by the California Department of Water Resources who oversee the state-wide water system. The conclusion is that given the possible uncertainties of these effects, diversification of urban water supplies is the best defense water utilities have for an uncertain future. The preferred project would enable the Partners to diversify their water supplies and improve current and future water supply reliability while meeting water quality objectives to ensure regulatory compliance.

The City Council's approval of the proposed actions described herein and submission of the Final EIR to the State Water Resources Control Board will facilitate compliance with water right application diligence requirements. The Davis and Woodland City Councils would be updated regularly on progress and next steps in the process.

Fiscal Impact

Major expenditures on the Davis/Woodland Water Supply Project are currently scheduled to occur in FY 2010/2011, when the design of the regional facilities is expected to begin. Between now and FY 2010/2011 staff expects that the City will continue to expend funds on the planning,

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design, and construction of water system improvements that will benefit the City regardless of whether the City the Davis/Woodland Water Supply Project is implemented. During the next fiscal year staff proposes to continue to work with the other Project Partners to:

- Resolve the remaining 2 water right application protests (9 of 11 resolved)
- Secure the area-of-origin water right permit
- Continue work on summer time water purchase contracts
- Seek permits and do foundational work on water intake facilities
- Develop a suitable regional organization to pursue grant funds and project implementation
- Develop refined water rate projections and project financing planning

The actions recommended by staff are projected to result in expenditures of about \$1,150,000, during the 2007/2008 and 2008/2009 fiscal years to complete the work described above. That will be subject to separate Council action on the Capital Budget. Currently it is anticipated that expenditures on this project will be funded by the Water Enterprise fund, however Project Partners have jointly pursued grant funds. There will be no impact on the General Fund.

Public Contact

The project has had significant, legally noticed public input opportunities as listed on page 2 of the attached Resolution.

Commission Recommendation

None specifically, however the planning for the project has been included in the Capital Budget and the Planning Commission has found the projects in the Capital Budget are consistent with the General Plan.

Council Committee Recommendation

The project has been briefed to the Infrastructure Committee on March 5, 2007, January 9, 2007, November 28, 2006, March 26, 2006, and January 12, 2006. The project has been consistently supported by the Infrastructure Committee.

Recommendation for Action:

Staff recommends that the City Council:

- 1) Adopt the attached “Resolution Making Responsible Agency Findings Pursuant to the California Environmental Quality Act for the Davis-Woodland Water Supply Project, Approving the Project, and Adopting Environmental Findings Pursuant to the California Environmental Quality Act”, and direct the filing of the Notice of Determination; and

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2) Authorize staff to execute amendments to the Project Partners' MOU (attached) & take actions necessary to diligently pursue the water rights application and Project funding opportunities; and

3) Authorize staff to take further actions as may be necessary to diligently pursue the water rights permit and Project implementation.

Prepared by: Doug Baxter
Senior Civil Engineer

Reviewed by: Gary Wegener
Public Works Director

Reviewed by: Barry Munowitch
Community Development Director

Reviewed by: Ann Siprelle
City Attorney

Mark G. Deven
City Manager

Attachments:

1. Resolution for Project's Findings, Approving the Project, and Adopting Findings Pursuant To CEQA (pg 1)
2. Amendment 1 to the Project Partners' MOU (pg 6)
3. Executive Summary to the Davis Woodland Water Supply Project Final Environmental Impact Report (pg 8)
4. Executive Summary of City of Davis staff report for their October 16th, 2007 action on the EIR (pg 68)

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND MAKING RESPONSIBLE AGENCY FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE DAVIS-WOODLAND WATER SUPPLY PROJECT, APPROVING THE PROJECT, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the Davis-Woodland Water Supply Project (the "Project") encompasses the following actions: (1) certification of the Final Environmental Impact Report for the Davis-Woodland Water Supply Project ("Final EIR"); (2) issuance of appropriate permits by the City of Davis and the other entities forming the Project Partners (the City of Woodland and the University of California-Davis); (3) new water rights permits for unappropriated water from the Sacramento River pursuant to an application to the State Water Resources Control Board (the "SWRCB"); (4) approval for negotiations and water transfer agreements with senior water rights holders; and (5) related discretionary approvals, including those from federal, state and other local agencies; and

WHEREAS, the purpose of the Project is to construct an intake/diversion structure on the Sacramento River, a conveyance pipeline between the intake/diversion structure and regional treatment plant, a new regional water treatment plant, and distribution pipelines; and

WHEREAS, the City of Davis is the lead agency pursuant to section 21067 of the California Environmental Quality Act ("CEQA") (Public Res. Code, § 21000 et seq.) and the State CEQA Guidelines (14 CCR § 15000 et seq.); and

WHEREAS, the City of Davis issued a Notice of Preparation for the Project on April 28, 2006, and circulated it for a period of 45 days pursuant to State CEQA Guidelines section 15082, subdivision (a), and section 15375; and

WHEREAS, pursuant to State CEQA Guidelines section 15082, the City of Davis solicited comments, including details about the scope and content of the environmental information as well as potential feasible mitigation measures and alternatives, from responsible agencies, trustee agencies, and the public; and

WHEREAS, pursuant to Public Resources Code section 21092, the City of Davis also provided a Notice of Preparation by publication within The Davis Enterprise and The Daily Democrat, newspapers of general circulation in the Project area, on May 5-6, 2006, and May 6-7, 2006, respectively; and

WHEREAS, legally noticed public hearings were held for input and discussion on the Notice of Preparation and the content of the Draft EIR by the Project Partners (the Cities of Woodland and Davis) on May 18, 2006 (Woodland), and May 22, 2006 (Davis); and

WHEREAS, publication of a press release from the Project Partners in The Daily Democrat was made on April 29, 2007, that the Draft Environmental Impact Report ("Draft EIR") was completed and available for download and/or for public review and comment through the period ending May 31, 2007, with public meetings to be held on May 2, 2007, and May 16, 2007; and

WHEREAS, the Draft EIR was completed and released for public review on May 10, 2007, and the City of Davis initiated a 45-day public comment period, ending on June 25, 2007, by filing a Notice of Completion and Availability with the State Office of Planning and Research; and

WHEREAS, during the comment period, the City of Davis consulted with and requested comments from all responsible and trustee agencies, including the City of Woodland, other regulatory agencies and others pursuant to State CEQA Guidelines section 15086; and

WHEREAS, pursuant to Public Resources Code section 21092, the City of Davis provided notice of public information and comment sessions regarding the Draft EIR by publication within The Sacramento Bee on April 17-18 and May 10-11, 2007; The Davis Enterprise on April 6 and 8 and May 10-11, 2007; and The Daily Democrat on April 6-7 and May 11, 2007; all newspapers of general circulation in the Project area, including that the public comment period had been extended; and

WHEREAS, public meetings were held by the City of Davis on April 23, 2007, and May 16, 2007, to receive oral and written comments; and

WHEREAS, the City of Woodland held an additional public meeting on May 2, 2007, also for the purpose of receiving oral and written comments; and

WHEREAS, an Environmental Impact Report/Statement ("EIR") has been prepared by the City of Davis pursuant to CEQA in order to analyze all potential adverse environmental impacts of the Project; and

WHEREAS, the City of Davis, at a public meeting on October 16, 2007 reviewed the Draft EIR, Final EIR, and other related documents in the record before it and by Resolution No. 07-168, certified the Final EIR, and approved the Project, including approval of site plans and building permits; and

WHEREAS, pursuant to State CEQA Guidelines sections 15091, 15096 sub. (h), 15381, and other provisions of CEQA, the City of Woodland is a responsible agency for the Project and must therefore make certain findings prior to the approval of the Project; and

WHEREAS, the City Council of the City of Woodland, at its regularly scheduled public meeting on November 6, 2007, independently reviewed and considered the Final EIR and other related documents in the record before it; and

WHEREAS, all the procedures of CEQA and the State CEQA Guidelines have been met, and the Final EIR, prepared in connection with the Project, is sufficiently detailed so that all the potentially significant effects of the Project on the environment and measures necessary to avoid or substantially lessen such effects have been evaluated in accordance with the above-referenced Act and Guidelines; and

WHEREAS, as contained herein, the City of Woodland has endeavored in good faith to set forth the basis for its decision on the Project; and

WHEREAS, all of the findings and conclusions made by the City Council of the City of Woodland pursuant to this Resolution are based upon the oral and written evidence presented to it as a whole and not based solely on the information provided in this Resolution; and

WHEREAS, prior to taking action, the City Council of the City of Woodland has heard, been presented with, reviewed and considered all of the information and data presented to it, including the Draft EIR, Final EIR, and other documentation relating to the Project, and all oral and written evidence presented to it;

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred; and

WHEREAS, the documents and other materials that constitute the record of proceedings/administrative record for the City of Woodland's approval of the Project are located at the City of Davis Public Works Department and the custodian of these records is the City of Davis Utilities Manager/Lead Agency Project Manager.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WOODLAND AS FOLLOWS:

- A. The Final EIR prepared for the Project is hereby received by the City Council of the City of Woodland and incorporated herein by this reference.
- B. The City Council of the City of Woodland hereby finds and determines that the Final EIR has been completed in compliance with CEQA and the State CEQA Guidelines and, as the decision-making body for the City of Woodland, the City Council has reviewed and considered the information contained in the Final EIR and related documents before it and all of the environmental effects of the Project, and finds that the Final EIR reflects the independent judgment and analysis of the City of Woodland.
- C. The City Council of the City of Woodland concurs with the environmental findings in City of Davis Resolution No. 07-168 and adopts these findings, attached hereto as Exhibit A and incorporated herein by this reference.
- D. The City Council of the City of Woodland hereby approves the Project.

- E. The City Council hereby adopts the Mitigation Monitoring and Reporting Program included in the Final EIR. In the event of any inconsistencies between the mitigation measures as set forth herein and the Mitigation Monitoring and Reporting Program, the Mitigation Monitoring and Reporting Program shall control

- F. The City Council of the City of Woodland hereby authorizes and directs that a Notice of Determination shall be filed with the Clerk of the County of Yolo within five (5) working days of approval of the Project.

PASSED, APPROVED AND ADOPTED this 6th day of November, 2007.

AYES:
NOES:
ABSTAIN:

David M. Flory, Mayor
City of Woodland

ATTEST:

Sue Vannucci, City Clerk
City of Woodland

APPROVED AS TO FORM:

Ann M. Siprelle, City Attorney

I, Sue Vannucci, City Clerk of the City of Woodland, do hereby certify that the foregoing Resolution No. ____ was duly and regularly adopted by the City Council at a regular meeting thereof, held on the XX day of October, 2007, and that the foregoing is a full, true and correct copy of said Resolution.

Sue Vannucci, City Clerk
City of Woodland