



DATE: June 22, 2021

TO: Mayor and City Council

FROM: Director of Public Works

SUBJECT: Tuolumne River Voluntary Agreement: Presentation and Discussion of Tuolumne River Voluntary Agreement (TRVA) as an Alternative to the Bay-Delta Plan

RECOMMENDATION

That the City Council reviews and comments on this report.

SUMMARY

As the State experiences drought conditions this year, all water agencies in California, including the City of Hayward (City), are in the process of updating their 2020 Urban Water Management Plans (UWMP). Agencies' projected water demands, and blueprints to ensure sufficient long-term water supplies to their customers, are major components of the Plans. Because the City, as well as its other wholesale agencies, depend on potable water supplies from the San Francisco Public Utilities Commission (SFPUC), that water is critical to the wholesale agencies' supply projections. This year, the SFPUC in its own projections has incorporated certain flow assumptions emanating from the State Water Resources Control Board's (State Board) Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Bay-Delta Plan). Based on modeling of those flow assumptions, the SFPUC is anticipating significant cutbacks to regional water supplies in dry and multiple-dry years.

This report provides background information on the Bay-Delta Plan and the Tuolumne River Voluntary Agreement (Voluntary Agreement), and their potential impacts on projected water supply availability. Nicole Sandkulla, Chief Executive Officer and General Manager of the Bay Area Water Supply and Conservation Agency (BAWSCA) will make a presentation about these documents at this meeting.

BACKGROUND

The SFPUC, draws water from the Tuolumne River Basin (tributary to the San Francisco Bay and Sacramento/San Joaquin River Delta). As part of its mission to protect its water supply, the

City, as the second largest purchaser of wholesale water from the SFPUC, supports the continued efforts of the SFPUC and BAWSCA to develop alternative water supply programs and secure voluntary agreements that address Bay-Delta Plan flow objectives while maintaining a workable solution for Bay Area water suppliers.

DISCUSSION

At the March 10, 2021 Council Sustainability Committee meeting, staff provided an overview of the key and required elements of the UWMP. Staff indicated that they were evaluating information from other entities, including the SFPUC and BAWSCA to determine and characterize the impacts on the City's water supply availability based on implementation of the Bay-Delta Plan. At that meeting, Mayor Halliday requested staff provide more detailed information on the Bay-Delta Plan and the Tuolumne River Voluntary Agreement so Council could have a better background on the documents, which is the focus of this discussion.

Adopted Bay-Delta Plan

The State Board is responsible for adopting and updating the Bay-Delta Plan, which establishes water quality control measures and flow requirements needed to provide reasonable protection of beneficial uses in the watershed.

In 2009, the State Board initiated the Bay-Delta Plan Phase 1 Update impacting the Tuolumne River that provides 85% of the water supply delivered by the SFPUC's Regional Water System (SFPUC RWS). The State Board adopted the Bay-Delta Plan Phase 1 Update in December 2018. The Update requires significantly increased Tuolumne River instream flows, resulting in considerable water supply impacts to customers that rely on water from the SFPUC RWS, including San Francisco retail customers, and wholesale customers. The City purchases and receives all its drinking water supply from the SF RWS.

The regulations require 40% of the river's natural unimpaired flow to be released every year, whether a wet or dry year, into the Lower Tuolumne River from February through June, up from as little as 10% currently. Since 1971, February through June releases have averaged 32% of unimpaired flow; in wet years, it has been more than 60%, and in dry years, it has been 10% or less. Flow objectives would be achieved by curtailing water diversions on the San Joaquin River's three major tributaries, including the Tuolumne River. Throughout the Bay-Delta Plan amendment process, the City has raised concerns that the State Board's flow regulations will affect the City's long-term water resource planning.

After the State Board adopted its most recent Bay-Delta Plan amendments, multiple parties representing a wide variety of stakeholders challenged the amendments in court. Despite the uncertainty surrounding the most recent amendments and flow objectives, the SFPUC decided to incorporate the Bay-Delta Plan flow scenario in its 2020 UWMP. This represents a marked shift from past water supply reliability projections by assuming full implementation of the Bay-Delta Plan amendments commencing in 2023. The SFPUC's draft UWMP estimates that rationing levels for the SFPUC RWS could exceed 50% under drought conditions at current or

contract-level demands, significantly exceeding the supply reductions imposed during the last drought emergency. The SFPUC proposes to allocate water from the RWS between retail and wholesale customers during system-wide shortages of 20% or less based on an agreed-to formula. In the event of RWS shortages greater than 20%, cutbacks are to be allocated equally among the SFPUC's wholesale customers. The SFPUC's proposed rationing and shortage allocations do not take into consideration the City's past and ongoing water conservation measures and demand management strategies. Such severe reductions—even after a single dry year—will translate to cutbacks and rationing for the City and other cities around the San Francisco Bay that depend on RWS water.

Tuolumne River Voluntary Agreement

The Bay-Delta Plan Phase 1 Update includes a framework for voluntary agreements that meet or exceed the proposed objectives to protect fish and wildlife. The SFPUC, BAWSCA, and the wholesale agencies have voiced concerns with the Plan, as it would dramatically reduce the SFPUC RWS water supply, leaving it subject to significant rationing in droughts and more extreme weather conditions brought on by climate change. Concerns were also raised over the fishery benefits of the State's Plan.

In response to the Bay-Delta Plan, the SFPUC and the Modesto and Turlock Irrigation Districts have proposed the Tuolumne River Voluntary Agreement, a combination of flow and non-flow measures sufficient to improve all life-stages of native fish populations in the lower Tuolumne River. The SFPUC and BAWSCA have consistently stated that voluntary agreements are the best path forward for the Bay-Delta, as the voluntary agreement strikes the right balance between environmental stewardship and water reliability. The SFPUC is involved in on-going negotiations with the State on a voluntary agreement for implementation of the Bay-Delta Plan.

The SFPUC and its wholesale customers have spent \$25 million on studies on the Tuolumne River fishery in the last five years. These studies provide significant information about the fishery on the Tuolumne River and what should be done to improve fishery.

The Voluntary Agreement has significant technical support from the Tuolumne River studies. The proposal includes a portfolio of measures to improve river ecosystems and increase natural salmon populations in the Tuolumne River including:

- Functional flows
- Restoring habitat
- Reducing predation and managing aquatic weeds
- Better managing hatcheries

Voluntary agreements offer the opportunity for a more balanced solution; meeting the State Board's Bay Delta objectives, while also providing critically needed water supply. As a member of BAWSCA, the City has supported the SFPUC's work with the State Board and key stakeholders to develop voluntary agreements to create more water for the environment without harming regional economies, consistent with statewide policies.

ECONOMIC IMPACT

This is an informational item only, and no analysis is available.

FISCAL IMPACT

There is no fiscal impact associated with this information report.

STRATEGIC ROADMAP

This agenda item is informational only and does not relate to one of the Council’s six Strategic Priorities.

SUSTAINABILITY FEATURES

Water supply planning is a key feature of a sustainability and helps with adequate preparation for sustainable growth and challenges that may arise as climate and economic conditions change.

PUBLIC CONTACT

This is an informational item only.

NEXT STEPS

Staff will monitor this issue and keep Council apprised of any further developments.

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Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager