



DATE: May 10, 2021

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT: Update on the 2020 Urban Water Management Plan

RECOMMENDATION

That the Council Sustainability Committee (CSC) 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, are in the process of updating their 2020 Urban Water Management Plans (UWMP). The 2020 UWMP must be adopted by the City Council and submitted to the Department of Water Resources (DWR) by July 1, 2021. The UWMP outlines the City's projected water demands to evaluate and develop a plan to ensure sufficient long-term water supplies to its residences and businesses. Because the City depends exclusively on potable water supplies from the San Francisco Public Utilities Commission (SFPUC), that water is critical to the City's 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 multi-dry years. As one of the most water-efficient cities in California, the City is continuing to work to minimize its share of rationing and reduce the impacts of these cutbacks. These unprecedented cutbacks will nevertheless require creative thinking and thoughtful water use. This report provides an update to the report staff presented at the March 8, 2021 CSC on preparation of the City's UWMP, with particular focus on projected water supply availability.

BACKGROUND

Pursuant to the California Water Code, sections 10608 and 10610-10656, urban water suppliers must update their UWMPs every five years. UWMPs support the suppliers' long-term resource planning to ensure that adequate water supplies are available to meet existing and future water needs. Specifically, UWMPs must: (1) assess the reliability of water sources over a 20-year planning time frame; (2) describe demand management

measures and water shortage contingency plans; and (3) report on progress toward meeting the water supplier's reduction in per-capita (per-person) urban water consumption. Under separate provisions of the California Water Code enacted in 2009, urban water suppliers must also achieve certain reductions in per-capita urban water consumption.

The City of Hayward provides drinking water for its 160,000 residents, with approximately 30% of its supply supporting the more than 8,700 businesses and non-residential customers, as well as higher education institutions like California State University – East Bay, Chabot Community College, and Life Chiropractic College West. The City is the second largest purchaser of wholesale water from the SFPUC, which in turn draws from the Tuolumne River Basin (tributary to the San Francisco Bay and Sacramento/San Joaquin River Delta). The City is also among the lowest per-capita water use entities compared to other agencies that purchase water from the SFPUC—due in no small part to its long commitment to water conservation practices. As part of its mission to protect its water supply, the City supports the continued efforts of the SFPUC and the Bay Area Water Supply and Conservation Agency (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 8, 2021 CSC Meeting, staff provided an overview of the key and required elements of the UWMP, major issues, as well as the progress to date. At that time, staff indicated 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. The focus of this discussion is to provide additional information on water supply availability.

Water Supply Reliability

The State Board is responsible for setting flow objectives on rivers flowing into the Sacramento-San Joaquin Delta to protect beneficial uses of water and developing new regulations aimed at improving fisheries on the San Joaquin River. The regulations require no less than 30 percent of the river's natural unimpaired flow to be allowed to flow into the Sacramento-San Joaquin Delta between February and June, up from as little as 10 percent currently. 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 repeatedly 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 Hetch Hetchy Regional Water System (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.

The City is preparing its 2020 UWMP Update in coordination with the SFPUC and BAWSCA and has shared its projected water demands for the next 25 years. Upon review of the SFPUC's 2020 UWMP and guidance documents, the projected RWS water supply availability expected to result from implementation of the Bay-Delta Plan will not meet the City's needs nor the needs of the SFPUC's other wholesale customers.

The City of Hayward is already one of the lowest water users per capita in the State of California. In 2020, the City's per capita use was only 47 gallons per capita per day (gpcd), below the minimum quantity of 50 gpcd used by the State to calculate minimum health and safety needs. The City has also engaged in numerous actions to increase supply reliability for its water users, including investments in water conservation and exploration of alternative supplies (e.g., groundwater and recycled water). As a member of BAWSCA, the City has supported the SFPUC's work with the SWRCB and key stakeholders to develop voluntary agreements to create more water for the environment without harming regional economies, consistent with statewide policies.

ECONOMIC IMPACT

There are no direct fiscal impacts associated with the UWMP. It is a primary document for local planning and action, as well as for statewide water supply-reliability data accumulation and analysis. The UWMP will document the reliability of the City's water supplies, which can strengthen economic conditions and foster sustainable growth. The cost of preparing an UWMP will not significantly impact water rates. The costs of developing future water supplies and implementing conservation measures, which could be significant, would be assessed prior to implementation.

If the City is faced with the imposition of draconian water supply cutbacks, the community's economy, including the commercial and industrial sectors, will be adversely impacted.

FISCAL IMPACT

Other than the consultant fee of \$140,000 and staff costs for preparing the 2020 UWMP which are supported by the Water Enterprise Fund, there are no direct fiscal impacts.

There would be no impact on the City's General Fund. Future costs of implementing water conservation and water supply projects would be evaluated at the time of implementation.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to one of the Council's six Strategic Priorities.

SUSTAINABILITY FEATURES

Water management planning provides an opportunity for the City to integrate supplies and demands in a balanced and methodical planning platform that addresses short-term and long-term water planning conditions. A well-constructed UWMP will result in an assessment of the City's water supplies, uses and reliability, which helps ensure the City is adequately prepared for sustainable growth and challenges that may arise as climate and economic conditions change.

PUBLIC CONTACT

In addition to the CSC meeting, the public will have an opportunity to comment on the City's 2020 UWMP draft during a published public comment period, and at the Council public hearing prior to adoption of the final UWMP. A draft of the 2020 UWMP will be made available for public review before the public hearing. Interested community members can submit comments and suggest revisions affecting reliability and future investments in local water management before the adoption of the final UWMP.

NEXT STEPS

Staff will continue to work with the City's consultant, Maddaus Water Management Inc., to complete the draft the 2020 UWMP in preparation for public review and the Council public hearing, currently scheduled for June 22, 2021, and to submit the document in accordance with State guidelines.

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Approved by:



Kelly McAdoo, City Manager