



Legislation Details (With Text)

File #: ID17-449 **Version:** 1 **Name:**

Type: Action Item **Status:** Passed

File created: 3/21/2017 **In control:** City Council

On agenda: 4/6/2017 **Final action:** 4/6/2017

Title: ***RESOLUTION - Authorizing submittal of a final application to the State Water Resources Control Board for its Groundwater Sustainability Grant Program to fund planning, monitoring and implementation projects for mitigation of 123-Trichloropropane from groundwater wells located throughout the City of Fresno in the amount of \$1,000,000 (Citywide).

Sponsors: Department of Public Utilities

Indexes:

Code sections:

Attachments: 1. Resolution - Grant Fund App.pdf

| Date | Ver. | Action By | Action | Result |
|----------|------|--------------|----------|--------|
| 4/6/2017 | 1 | City Council | approved | Pass |

REPORT TO THE CITY COUNCIL

April 6, 2017

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SUBJECT

***RESOLUTION - Authorizing submittal of a final application to the State Water Resources Control Board for its Groundwater Sustainability Grant Program to fund planning, monitoring and implementation projects for mitigation of 123-Trichloropropane from groundwater wells located throughout the City of Fresno in the amount of \$1,000,000 (Citywide).

RECOMMENDATIONS

Staff recommends that Council adopt a Resolution authorizing submittal of a final application to the State Water Resources Control Board (SWRCB) for \$1,000,000 from the Groundwater Sustainability Grant Program (GWGP) for planning, monitoring and implementation projects for mitigation of 123-

Trichloropropane from groundwater wells, and authorize the Director of Public Utilities, or designee, to execute all application documents on behalf of the City of Fresno.

EXECUTIVE SUMMARY

The Department of Public Utilities (DPU) requests Council authorize submittal of an final application to the SWRCB for funds through the GWGP program for a feasibility study and engineering design for mitigation of 123-Trichloropropane from groundwater wells. Securing this grant would offset the funds already budgeted in Fiscal Year 2017/2018 for this work type and would provide a savings for City rate payers, increase water system reliability, and improve water quality.

BACKGROUND

The City's drinking water demands are approximately 42,360 million gallons annually, which are currently met by a combination of groundwater and treated surface water. Groundwater production is achieved by utilization of approximately 270 water wells, while surface water is provided by two existing plants: the Northeast Surface Water Treatment Facility (NESWTF) and the T-3 Surface Treatment Facility. Additional surface water will be available in late 2018 with the implementation of the new 80 million gallon per day Southeast Surface Water Treatment Facility (SESWTF). While the intent is for the surface water plants to meet most of the City's water needs, water wells will continue to play an important role in supplying drinking water during peak demand and the hot summer months.

Starting in 2018, the State of California has established new drinking water regulations for 123-Trichloropropane (TCP), a chemical present in groundwater. TCP was widely used in the 1950's and 1960's as an industrial solvent and soil fumigant and due to its low adsorption capabilities, did not adhere to soil after application which resulted in the product migrating to groundwater. The State is proposing a new Maximum Contaminant Level limit of 5 parts per trillion for this chemical in drinking water supplies, which will require advanced levels of treatment for all impacted wells. Currently, 45 of the City's 270 water wells have detected the presence of TCP in the water supply.

On January 26, 2017, the City entered into contract with Provost & Pritchard Consulting Group to conduct a preliminary feasibility study to determine the extent of the TCP groundwater contamination, evaluate alternatives to mitigate the impact of the TCP contamination of the groundwater system and estimate costs to implement the most feasible mitigation alternatives. The Fiscal Year 2017/2018 budget allocates \$500,000 in capital for the initial TCP mitigation study. The department is also anticipating future budgets will have to include additional funding allocations for TCP related work activities. In order to help mitigate projects costs the Department is applying for available State grants under the GWGP. The GWGP includes \$900 million in grants for projects that help groundwater sustainability, prevent and/or mitigate contamination of groundwater used as drinking water, and also sets aside \$160 million in funds for projects serving disadvantaged communities, all criteria the City meets.

In June 2016, pre-applications for GWGP funding became available. The City submitted a pre-application on July 29, 2016. On February 21, 2017, the City was notified that they had been selected to continue to the next round of funding and will be allowed to submit a Final Application for potential funding. The grant is requesting \$1 million, which is the maximum amount allowed under this program per agency. The typical match requirement is 50%, however, projects serving a disadvantaged community public water system are eligible for a reduced match requirement. This

reduced match is dependent on a formula based on the average residential water rate as a percent of the median household income. Under this program the City would qualify for a reduced match of between zero to 10% of the project costs. The actual match percentage required will be subject to review by the SWRCB as a part of the package submittal.

Adoption of this Resolution authorizing DPU to submit a funding application, and identifying the individual authorized to execute agreement, is required by the State to proceed in the GWGP funding process.

ENVIRONMENTAL FINDINGS

Authorization to submit an application for a GWGP grant is not a “project” for the purposes of California Environmental Quality Act (CEQA), as it is a funding mechanism or other government fiscal activity, and does not involve commitment to any specific project which may result in a potentially significant physical impact on the environment as contemplated by CEQA Guidelines Section 15378 (b).

LOCAL PREFERENCE

The local preference was not implemented because this is not a competitive bid award.

FISCAL IMPACT

There is no impact to the General Fund. Matching funding for this project is included in the Water Division’s Fiscal Year 2017 capital improvement budget.

Attachment:

Resolution for Submission of GWGP Funding Application for TCP Mitigation in Groundwater Wells