



DATE: July 11, 2022

TO: Honorable Mayor and City Council

FROM: Paul Spence, Community Development Director

SUBJECT: Hearing to certify Draft Supplemental Environmental Impact Report for the South Livermore Valley Specific Plan and authorizing the South Livermore Urban Growth Boundary initiative to be placed on the November 8, 2022, ballot enabling the South Livermore Sewer Extension Project.

RECOMMENDED ACTION

Staff recommends the City Council:

1. Adopt a resolution certifying the Supplemental Environmental Impact Report;
2. Adopt a resolution approving the ballot question and language for the South Livermore Urban Growth Boundary Initiative; and
3. Direct staff to conduct all necessary actions to prepare materials for the November 8, 2022, ballot.

SUMMARY

For over 100 years, the South Livermore Valley has been known as a premier wine region and served as an important element of the community's character, heritage, and local economy. Throughout that time, the Valley has endured many challenges to wine production including Prohibition, viral grapevine diseases, urbanization, and market uncertainty. In response to these various challenges, local stakeholders, Alameda County, and the City of Livermore have collectively created planning programs to ensure the vibrancy and long-term sustainability of the wine region.

Currently, the South Livermore Valley is at risk due to ground water quality issues and strict regulations governing wastewater treatment that are limiting the ability to realize the economic potential of the wine industry and presenting possible health and safety issues associated with groundwater quality. At the request of South Livermore Valley stakeholders, the City Council directed staff to coordinate with Alameda County to prepare amendments to the South Livermore Urban Growth Boundary initiative (Initiative) and begin preliminary evaluation of a new sewer alignment in South Livermore.

The Initiative would modify South Livermore Urban Growth Boundary policies enabling the city to extend sewer service and property owners to receive municipal services. The sewer project would be

constructed in phases and within existing rights-of-way. The initiative would not require connection and would not commit City funding. Connection would be at the request of individual property owners and subject to an Out-of-Area service agreement or annexation into the city.

The purpose of the project is to improve groundwater quality and enhance the economic viability of agriculture and viticulture in the South Livermore Valley area. Staff recommends Council certify the environmental documents and authorize staff to proceed with ballot language.

DISCUSSION

BACKGROUND

In the early 1900s, the South Livermore Valley was a thriving wine region. From the 1960's through the early 1990s, development pressure threatened the South Livermore Valley wine region and its resources. In response, Alameda County and the City of Livermore initiated comprehensive planning programs to protect agriculture and open space within the Valley and balance preservation with limited urban development.

In 1993, Alameda County adopted the South Livermore Valley Area Plan (Area Plan) with the intent of preserving and re-establishing the traditional viticulture and wine making uses through agricultural mitigation. The Area Plan authorizes the development of wine country and visitor serving uses on building sites if 90% of the parcel is planted with orchards or vineyards and preserved under a permanent conservation easement held by an independent Agricultural Land Trust.

In 1997, the city adopted the South Livermore Valley Specific Plan (Specific Plan). The Specific Plan complements the Area Plan, establishes land use regulations to guide development within designated sub areas suitable for urban development, protects viticulture resources, and promotes wine production through agricultural mitigation and planting requirements. Both the Area Plan and the Specific Plan included environmental analysis through an Environmental Impact Report, which assessed the impacts of development under the Plans, respectively.

In November 2000, Alameda County voters passed Measure D. The purpose of Measure D was to preserve agricultural lands and to protect open space, watersheds, and wildlife habitat. Measure D set a county urban growth boundary that restricts subdivisions of the farms and ranches in eastern Alameda County, including North Livermore and the South Livermore Valley. Measure D also amended the county's East County Area Plan programs and policies, which place limits on density, development standards, and the geographical extents of the Area Plan.

In March 2000, Livermore voters passed Measure K, establishing the South Livermore Urban Growth Boundary (Urban Growth Boundary) with goals of limiting urbanization and preserving open space, habitat, and agriculture. In February 2004, Measure K was incorporated into the Livermore General Plan. The success of these combined programs helped re-establish the South Livermore Valley as a premiere wine region with over 4,500 acres of agricultural land and open space protected with permanent conservation easements, and 50 operating wineries.

Despite these programs and protections, the improvement of wine country properties consistent with the planning for the area, has been stymied by restrictive state and regional ground water regulations to respond to concerns over groundwater quality resulting from nitrate concentrations. Most development in

unincorporated Alameda County is supported by on-site wastewater treatment systems or septic systems. These septic systems are believed to be contributing to groundwater contamination in the area.

The State Water Resources Control Board (SWRCB) identifies nitrates as an element of concern found within groundwater and cites septic systems and wastewater discharges as common sources of nitrate in groundwater. When multiple sources of nitrates are in proximity to one another, such as in neighborhoods with numerous septic systems, nitrate concentrations in the groundwater can build to unacceptable levels and threaten health and safety. Groundwater is used for agricultural irrigation, livestock, and as a reservoir for drinking water.

In July 2015, Zone 7 Water Agency prepared a Nutrient Management Plan for the Livermore Valley Groundwater Basin, which assesses groundwater nutrient concentrations and describes planned actions to address high groundwater nitrate concentrations in the Basin including connection to municipal sewer when available. Further, in June 2018, the Alameda County prepared a Local Agency Management Program for septic systems, which describes septic system requirements within the county; identifies areas of concern regarding nitrate concentrations, (including the South Livermore Valley); and describes corrective actions, requirements, procedures, and prohibitions including connection to a municipal sewer system. Development approval in these areas has been paused until/unless the area is able to obtain wastewater collection services to alleviate the groundwater contamination.

As a result, the city continues to receive inquiries from South Livermore stakeholders regarding the possibility of connecting to the city's municipal sewer system. Connecting to a municipal system is a reliable alternative to treat wastewater and would be a significant step in addressing complex groundwater management regulations that are jeopardizing the near and long-term viability of the wine industry. Further, connection to the municipal sewer system would enable rural residential properties to phase out the use of septic systems which would help alleviate significant groundwater impacts.

In August 2020, the Tri Valley Conservancy and other South Livermore Valley stakeholders requested the City of Livermore ask Alameda County to reserve funding for possible extension of sewer service to address groundwater quality issues in South Livermore. They also asked the Council to direct staff to explore actions necessary to advance the extension of the sewer system to serve the South Livermore Valley Area. On September 28, 2020, the City Council considered the request by the stakeholders and directed staff to make a request to Alameda County to reserve available funding and to explore actions necessary to extend sewer service. On December 8, 2020, the Alameda County Board of Supervisors approved the use of \$6.5 million to help support the connection of underground utilities for unincorporated Livermore.

On November 22, 2021, the City Council reviewed proposed ballot language prepared by the Tri Valley Conservancy. Council directed staff to modify the language and return with an updated version prior to presenting it for authorization. In addition, Council appropriated funds to study and evaluate sewer alignments, technical aspects of a potential sewer extension, and potential impacts in accordance with the California Environmental Quality Act (CEQA).

On May 6, 2022, staff published a Draft Supplemental Environmental Impact Report, which analyzed the potential impacts of amending the Urban Growth Boundary policies and construction and operation of a new sewer line, for a 45-day public comment period. On May 23, 2022, the City Council reviewed draft initiative language and directed staff to modify the language in response to public comments. On June

21, the Planning Commission held a public hearing to receive public comments on the Draft Supplemental Environmental Impact Report.

SOUTH LIVERMORE URBAN GROWTH BOUNDARY INITIATIVE and SEWER PROJECT

The Initiative would amend language in the South Livermore Urban Growth Boundary policies. The amendments would allow the city to extend sanitary sewer service to parcels containing residences, wineries, and visitor-serving uses located in South Livermore consistent with the Livermore General Plan, Area Plan, Specific Plan, and in conformance with Alameda County Measure D. The Initiative would not change the location of the Urban Growth Boundary.

Specifically, the Initiative would amend Livermore General Plan Goal LU Goal 18, Objective LU 18.1 and policies LU P1-P7. The current General Plan policies are derived from the South Livermore Urban Growth Boundary initiative (2000) and allow extension of urban services (water and sewer services) under special circumstances if a property meets specific criteria. The Initiative modifies the existing criteria to enable sewer service to parcels in the South Livermore Valley, including those properties not immediately adjacent to the Urban Growth Boundary and Livermore Municipal boundaries. The provision of sewer service would be limited to uses that are consistent with applicable city and county planning documents and that facilitate the goals of the Area Plan and Specific Plan to create a premier wine region destination.

The Initiative would enable properties to connect to the city's sewer. The Initiative would not require connection; however, connection would provide an opportunity for rural residential districts, like the Buena Vista Avenue neighborhood, to phase out the use of on-site septic systems. Connection of individual parcels would be subject to a request by private property owners through an Out-of-Area Service Agreement or annexation into the city. In addition, the Initiative would require an agreement disallowing further subdivision of the property in exchange for sewer service. The intent of the Initiative and sewer project is to maintain the same rural character consistent with the permitted land use but address ground water quality issues by allowing connection to the sewer system.

The proposed sewer project would construct approximately five miles of new sewer lines. Phase 1 of the proposed sewer extension is anticipated to be approximately 3.6 miles of sewer line installed within Buena Vista Avenue from East Avenue to Tesla Road, within Tesla Road from Buena Vista Avenue to Greenville Road, and within Greenville Road from Tesla Road to approximately 5,900 feet south of Tesla Road (Attachment 1 Figure 2-2 of the SEIR).

At this time, funding is limited to \$6.5 million set aside by Alameda County. Staff will also pursue any available federal and state funding related to improving ground water quality. However, the ultimate length of the Phase 1 sewer line will be based on total available funding from the County and other outside sources at the time of project construction. Livermore sewer rate payers would not contribute to the construction of this sewer line. Future phases of the project would be constructed dependent on need and funding availability.

GENERAL PLAN CONSISTENCY

The initiative and sewer project are consistent with the following General Plan policies:

Land Use

“Goal LU-13 Promote the South Livermore Valley as a unique and historic wine region”.

Modifying the Urban Growth Boundary and enabling connection to the municipal sewer system would address groundwater quality issues and regulations that are limiting the wine industry’s viability by hindering agricultural operations, the processing of grapes into wine, and visitor serving facilities. Therefore, the project would help promote the South Livermore Valley as a unique and historic wine region.

“Goal LU-14 Take a proactive approach to protect, enhance, and increase viticulture and other cultivated agriculture”.

Groundwater quality and regulations are limiting wine production and visitor services, which impacts the economic viability of the wine region. As a result, the planting and cultivation of vineyards is becoming infeasible. Modifying the Urban Growth Boundary and enabling connection to the municipal sewer system is a proactive approach to addressing groundwater quality thereby protecting, enhancing, and increasing viticulture.

Infrastructure and Public Services

“Goal INF-2 Collect, treat and dispose of wastewater in ways that are safe, sanitary, environmentally acceptable and financially sound while maintaining the highest standards required to enhance the quality of life for existing and future residents”.

Modifying the Urban Growth Boundary and enabling connection to the municipal sewer system would help phase out the use of on-site septic systems to address groundwater quality, health and safety, and economic vitality. The construction of sewer lines would be constructed through funding provided by Alameda County. Therefore, the project is consistent with the goal to collect, treat, and dispose of wastewater in ways that are safe, sanitary, environmentally acceptable and financially sound within the Planning Area.

“Objective INF-2.1 Plan, manage and develop wastewater collection, treatment and disposal systems in a logical, timely and appropriate manner”.

Modifying the Urban Growth Boundary and enabling connection to the municipal sewer system would help phase out the use of on-site septic systems and facilitate the collection, treatment and disposal of wastewater in a logical, timely and appropriate manner.

Climate Change

“Objective CLI-1.4 Policy P5. WATER EFFICIENCY–Participate in and support regional programs and projects that target the improvement and conservation of the region’s groundwater and surface water supply. Also consider programs to collect storm water for landscape watering”.

As a result of Climate Change, conservation of water resources, including groundwater, will become more important. Modifying the Urban Growth Boundary and enabling connection to the municipal sewer system would help phase out the use of on-site septic systems, which would help to protect and

conserve regional ground water resources. The construction and connection process is part of a regional effort involving the City, Alameda County, and Zone 7 Water Agency.

ENVIRONMENTAL REVIEW

Staff and Rincon Consultants, Inc. prepared a Supplemental Environmental Impact Report (SEIR) to the 1997 Specific Plan Environmental Impact Report in accordance with the CEQA. The Specific Plan is considered the urban complement to the County's Area Plan and guides limited development of the South Livermore Valley. The city is the lead agency responsible for providing municipal sewer service. Therefore, the Specific Plan EIR, which already contemplated providing sewer service to uses in South Livermore, was supplemented to evaluate the construction of an additional sewer line and connection to South Livermore Valley uses.

The project is defined as the Initiative and the construction and operation of the sewer expansion for agricultural residential and commercial development consistent with city and county land use regulations, including Measure D, in South Livermore. Development under those regulations had been evaluated under separate CEQA documents. The SEIR is limited to construction and operation of a new sewer project.

Based on the results of an Initial Study (included as Appendix IS to the SEIR), the project's potential impacts to Biological Resources, Cultural Resources, Geology and Soils, Noise, and Tribal Cultural Resources were found to be less than significant with mitigation. Mitigation measures include monitoring and halting work for species, cultural, tribal, archaeological, and paleontological resources, and implementing noise reductions from construction activities.

Upon further evaluation the SEIR concludes the project's potential impacts to Hydrology and Water Quality, and Utilities and Service Systems would be less than significant, and no mitigation would be required. The SEIR concludes less than significant impacts for the project (installation of the sewer pipeline), but also acknowledges the significant and unavoidable impacts from the 1997 EIR from buildout of properties that would use the project pipelines including impacts to wastewater treatment capacity. The impacts of organics in sewage from wine production on the treatment processes at the wastewater treatment plant would need to be studied further to determine whether and what level of pre-treatment by individual users would be required. The city is conducting infrastructure analysis as part of the comprehensive 2045 General Plan Update and corresponding Sewer Master Plan Update, which would determine the types and thresholds of any necessary and future treatment plant improvements needed to support city-wide wastewater treatment needs.

Section 2, *Project Description*, of the SEIR, describes the portion of the proposed alignment that would be installed within Buena Vista Avenue, and future connection of existing residences to the pipeline. In addition, Section 4.2, *Utilities and Service Systems*, of the SEIR discusses the addition of wastewater flows from parcels adjacent to the proposed alignment, including residences along Buena Vista Avenue. The current zoning allows for the development of single-family residential homes. The project is limited to the construction and operation of the new sewer lines and does not propose to change the zoning; therefore, there is no additional evaluation is required under the SEIR.

Public Comments

The 45-day public comment period for the Draft Environmental Impact Report began on May 6, 2022.

During the public comment period, staff received 10 letters from public agencies and other interested parties. On June 21, the Planning Commission held a public hearing and received an additional nine public comments. Comments ranged from broad points and questions about the environmental review process to specific construction related comments and questions. Staff and the consultant team compiled all the comments and responded to them as part of the Final Supplemental Environmental Impact Report.

In addition, staff received specific comments regarding construction activities along Buena Vista Avenue. In response, staff is preparing a Frequently Asked Questions document, a project schedule, and other reference material to assist residents' understanding of the project.

FISCAL AND ADMINISTRATIVE IMPACTS

On November 22, 2021, Council appropriated \$212,502 to evaluate the technical, financial, and environmental aspects of the initiative and extending sewer service. Preparation of a ballot, continued agency coordination, and community and stakeholder engagement would require staff resources.

If authorized by Council and subsequently approved by Livermore voters, approximately \$6.5 million in Alameda County funding would be used to leverage state and Federal infrastructure funds and groundwater management grant opportunities. The total project cost is estimated at approximately \$11.5 million. Construction of Phase I of the project is estimated at \$8 million and annual maintenance cost is estimated at \$150,000.

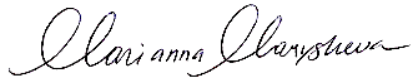
At this time, it is anticipated that properties that request connection to the sewer system would be responsible for paying connection and service fees. Staff recommends fees currently collected from Livermore residents for sewer service not be used to fund sewer expansion construction activities.

ATTACHMENTS

1. [Proposed South Livermore Sewer Alignment Figure 2-2](#)
2. [Resolution - FSEIR](#)
3. [Exhibit A - Final Supplemental Environmental Impact Report](#)
4. [Exhibit B - Findings and Facts](#)
5. [Exhibit C - Mitigation, Monitoring and Reporting Program](#)
6. [Resolution - Initiative](#)
7. [Exhibit A - Ballot Question and South Livermore Urban Growth Boundary Initiative](#)

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