



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 9, 2016

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Contract For Storage Of Pass-Through Water In Lake Cachuma

RECOMMENDATION:

That Council authorize the Public Works Director to negotiate and execute a Warren Act contract with the U.S. Bureau of Reclamation, in a form approved by the City Attorney, to provide for the storage and conveyance of a portion of the City's Gibraltar Reservoir water as non-project water in and through Cachuma Project facilities, pursuant to the provisions of the 1989 Upper Santa Ynez River Operations Agreement.

DISCUSSION:

Gibraltar Reservoir was completed in 1920 and serves as a principal component of the City's water supply by diverting Santa Ynez River water to the City via Mission Tunnel. Siltation has been an ongoing problem, and by the 1940's, the reservoir volume had decreased to half its original volume of 15,374 acre feet (AF). In 1948, the dam was raised 23 feet, restoring the reservoir's capacity to its original volume. By 1988, siltation had reduced the volume to 8,567 AF.

In 1983, the City, in cooperation with the State's Division of Safety of Dams, began planning for a seismic strengthening of Gibraltar Dam. The scope of the design included provisions for an additional future raising of the dam by 20 feet to again restore the reservoir to its approximate original capacity. In May 1988, some purveyors of Santa Ynez River water sued the City, contending that the reinforcement project was the beginning of a project to raise the dam and would have significant adverse effects on flows in the Santa Ynez River.

Efforts to settle the litigation led to the 1989 signing of the Upper Santa Ynez River Operations Agreement, more commonly known as the Pass-Through Agreement (Agreement). The parties of the Agreement are all the member units of the Cachuma Project, and the Santa Ynez River Water Conservation District (located downstream of Lake Cachuma). The U.S. Bureau of Reclamation (Reclamation), the owner and operator of Bradbury Dam at Lake Cachuma, formally acknowledged the Agreement and agreed to maintain its records in a manner that would implement the Agreement. The Agreement enacted a compromise that involves two key elements:

1. The City agreed to defer the enlargement of Gibraltar Reservoir; and
2. The parties agreed to minimize the impact of siltation on the City's Gibraltar yield by allowing for some of the water that spills from Gibraltar Reservoir and flows into Lake Cachuma to be counted as part of the City's Gibraltar water. This concept was referred to as a "pass-through" of Gibraltar water to Lake Cachuma, for delivery to the City through Cachuma Project facilities.

Upon execution of the Agreement, the City began operating Gibraltar in accordance with the Agreement, proceeded with the reinforcement project, and suspended plans to enlarge Gibraltar Reservoir.

Operational Modes under the Agreement

The Agreement addresses ongoing siltation at Gibraltar Reservoir by defining two modes of reservoir operation. The first mode provides for the City to elect various levels of annual Gibraltar diversion, subject to relinquishment by the City of specified amounts of the City's Cachuma water, as mitigation for downstream effects. No water is passed through to Lake Cachuma under this mode. All Gibraltar water is received through Mission Tunnel. The City and Reclamation have operated their respective reservoirs and accounted for water under this mode of the Agreement since 1991.

The second mode, the pass-through operations mode, will initiate the storage of pass-through water in Lake Cachuma. The amount of pass-through water is based on a comparison between the actual spills from Gibraltar and the amount that would have spilled from a hypothetical "base" reservoir, representing 1988 conditions. Under pass-through operations, some of the City's Gibraltar water would continue to be delivered through Mission Tunnel, and some would be stored as pass-through water in Lake Cachuma and conveyed to the City through Tecolote Tunnel and the South Coast Conduit.

Implementation of Pass-Through Operations

In 2007, the Zaca Fire burned 60 percent of the Gibraltar watershed, resulting in substantial siltation and reduction of the reservoir volume by approximately 1,500 AF, to 5,250 AF. In 2008, pursuant to its rights under the Agreement, the City elected to commence pass-through operations and began pursuing a contract with Reclamation under the federal Warren Act. The act provides for the use of excess capacity in federal water projects to store non-project water, with the goal to more fully utilize the capacity of these facilities.

In January 2016, Reclamation issued the public comment draft of its Environmental Assessment and Finding of No Significant Impact for the proposed action of entering into a Warren Act contract for the storage of the City's pass-through water in Lake Cachuma as non-project water, and modified accounting of water under pass-through operations. The public comment period ends on February 11, 2016. Shortly thereafter,

Reclamation is anticipated to execute a five-year temporary Warren Act contract. This would facilitate storage of pass-through water that would become available upon a spill at Gibraltar Reservoir. A 40-year long term contract would follow.

Prior to the execution of the Agreement in 1989, the City filed the attached Notice of Exemption from Environmental Review (Project No. SB-142-89, dated July 12, 1989) under the California Environmental Quality Act (CEQA). The notice states that the action is exempt from CEQA because the project would not have a significant effect on the environment. The parties to the Agreement made the same determination in Recital 9 of the Agreement. The recommended Warren Act contract is an administrative act to implement pass-through operations and account for pass-through water under the provisions of the Agreement, and is therefore covered under the original CEQA action.

The Water Commission has been receiving monthly updates on the status of the City's work with Reclamation and the Technical Committee, and supports this effort.

BUDGET/FINANCIAL INFORMATION:

Both the temporary and long term Warren Act contracts will establish a fee for storage and conveyance of the City's pass-through water. The fee under a similar contract for the storage of State Water delivered into Lake Cachuma for Cachuma member units is \$58/AF, but the fee for the City's pass-through water may be somewhat higher.

Annual credits of pass-through water are estimated to average about 1,000 AFY. Funds have been budgeted in the Fiscal Year 2016 Water Fund Operating Budget for this expense. Gibraltar water will continue to be one of the City's lowest cost supplies of water, and the move to pass-through operations will allow the City to regain some of the Gibraltar yield lost to siltation from 1989 to the present.

SUSTAINABILITY IMPACT:

Gibraltar water, whether delivered via Mission Tunnel or through Lake Cachuma, flows by gravity, thereby minimizing the energy requirements associated with this supply source. In terms of water supply, the Agreement provides for a stabilized yield from Gibraltar Reservoir as it continues to experience siltation into the future, and it allows the City to implement any feasible sediment management strategies to maintain current capacity or any enhanced capacity up to the 1988 volume of 8,567 AF.

ATTACHMENT: Notice of Exemption from Environmental Review, July 12, 1989

PREPARED BY: Joshua Haggmark, Water Resources Manager/BF/mh

SUBMITTED BY: Rebecca J. Bjork, Public Works Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
NOTICE OF EXEMPTION
FROM ENVIRONMENTAL REVIEW

ATTACHMENT

TO: XX Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

FROM: City of Santa Barbara
Community Development Dept.
P.O. Drawer P-P
Santa Barbara, CA 93102

XX County Clerk of the Board
County of Santa Barbara

Project Description: The Upper Santa Ynez River Operations Agreement - an agreement between the City of Santa Barbara and the Downstream Purveyors regarding the operation of Gibraltar Reservoir and pass through of yield as it fills with silt in the future. It will provide for protection of downstream users while maintaining the City's ability to continue total diversions from the river at a rate which approximates historic levels.

Project Location (Specific): Santa Ynez River from Bradbury Dam to Gibraltar Reservoir.

Project Located in the County of Santa Barbara

Description of Nature, Purpose, and Beneficiaries of Project: An agreement between the City, Carpinteria County Water District, Goleta Water District, Montecito Water District, Summerland County Water District, Santa Ynez River Water Conservation District and Santa Ynez River Water Conservation District, Improvement District No. 1 regarding operation of Gibraltar Reservoir and pass through of yield as it silts up in the future.

Name of Public Agency Approving Project - City of Santa Barbara

Name of Person or Agency Carrying Out Project (Applicant): City of Santa Barbara and the Downstream Purveyors.

Exempt Status: (Check One)

- Ministerial (Sec. 15268)
- Declared Emergency (Sec. 15269 (a))
- Emergency Project (Sec. (b) and (c))
- XX Categorical Exemption - Section Number 15301 (b)
- XX General Exemption - Section Number 15061(b)(3)

Date of Exemption: July 12, 1989

Reason why project is exempt: This project consists of an agreement regarding the operation of a publicly-owned utility. In addition, it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

Contact Person: Janice M. Hubbell (805) 564-5470

Date Received for Filing: _____

Janice M. Hubbell
Environmental Analyst



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Form Revised 1/89