



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

Agenda Item No. \_\_\_\_\_

File Code No. \_\_\_\_\_

# DRAFT

**AGENDA DATE:** November 11, 2008

**TO:** Mayor and Councilmembers

**FROM:** Water Resources Division, Public Works Department

**SUBJECT:** Agreement For Preparation Of Warren Act Contract

### **RECOMMENDATION:**

That Council adopt, by reading of title only, a Resolution of the Council of the City of Santa Barbara Authorizing the Public Works Director, or Her Designee, to Execute a Letter Agreement with the United States Bureau of Reclamation Initiating Work on Federal Warren Act Contracts Necessary to Implement the Pass Through Provisions of the Upper Santa Ynez River Operations Agreement, dated August 1, 1989, and to Expend up to \$15,000 to Complete the Letter Agreement Process.

### **DISCUSSION:**

Since its construction in the early 1900's, Gibraltar Reservoir has been subject to loss of capacity from siltation. To address this problem and preserve the City's storage capacity, the dam was raised 23 feet in 1949. In the early 1980's, City staff recognized that the reservoir was again losing a significant amount of its historic capacity and began investigating raising the dam a second time. Other users of water from the Santa Ynez River objected and filed suit against the City. The law suit was settled among the parties with the signing and implementation of the Upper Santa Ynez River Operations Agreement, also known as the "Pass Through Agreement." In settling the suit, the City agreed to defer the raising of Gibraltar Dam in exchange for the future right to "pass through" a portion of its Gibraltar water to Lake Cachuma for storage and delivery through the Cachuma Project's Tecolote Tunnel. The U.S. Bureau of Reclamation (Reclamation), as operator of the federal Cachuma Project, acknowledged the agreement and endorsed the compromise it represented.

The "pass through" provision was developed looking forward to a time when siltation would further reduce the storage capacity of Gibraltar Reservoir. From the time the agreement was signed to the time of the 2007 Zaca Fire, the reservoir had lost 1,781 acre-feet (AF) due to siltation. Erosion, since the fire, has reduced the capacity by an additional 1,483 AF. Compared to the 1988 volume of 8,567 AF, this leaves a current capacity of 5,303 AF (62%).

Given the lost storage capacity at Gibraltar, the City has elected to commence pass through operations by which the City would exercise its rights under the Pass Through Agreement and use Lake Cachuma for the storage and delivery of some of the water that has historically been captured at Gibraltar. Because Gibraltar water is “non-project” water, federal law requires execution of a “Warren Act” agreement to compensate the federal government for the use of project facilities to store non-project water.

Staff has met with Reclamation to discuss the process for meeting the Warren Act requirement. Reclamation has proposed a short-term agreement to allow expedited implementation of pass through operations, followed by a long-term agreement. To provide for the preparation of these documents, a letter agreement between the City and Reclamation is required.

**BUDGET/FINANCIAL INFORMATION:**

Funding for anticipated costs under the letter agreement, not to exceed \$15,000 as provided in the recommended resolution, is available in the Fiscal Year 2009 Water Fund Operating Budget. Water Resources is working with Planning staff to prepare the required environmental document for the Warren Act contracts. The Water Commission was briefed on implementation of the Pass Through Agreement on October 13, 2008.

**PREPARED BY:** Rebecca Bjork, Water Resources Manager BF/spm

**SUBMITTED BY:** Christine F. Andersen, Public Works Director

**APPROVED BY:** City Administrator's Office

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING THE PUBLIC WORKS DIRECTOR, OR HER DESIGNEE, TO EXECUTE A LETTER AGREEMENT WITH THE UNITED STATES BUREAU OF RECLAMATION INITIATING WORK ON FEDERAL WARREN ACT CONTRACTS NECESSARY TO IMPLEMENT THE PASS THROUGH PROVISIONS OF THE UPPER SANTA YNEZ RIVER OPERATIONS AGREEMENT, DATED AUGUST 1, 1989, AND TO EXPEND UP TO \$15,000 TO COMPLETE THE LETTER AGREEMENT PROCESS

WHEREAS, the U.S. Bureau of Reclamation (Reclamation) operates the Cachuma Project on the Santa Ynez River;

WHEREAS, the City of Santa Barbara has elected to commence "pass through" operations pursuant to the Upper Santa Ynez River Operations Agreement under which the City would store and convey a portion of the its Gibraltar water in and through the Cachuma Project facilities;

WHEREAS, federal law requires execution of a "Warren Act" contract for such storage and conveyance; and

WHEREAS, the City and Reclamation have met and drafted a letter agreement providing for the development of a short-term contract and a long-term contract to meet such requirement.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA that the Public Works Director, or her designee, is authorized to execute a letter agreement with the United States Bureau of Reclamation initiating work on Federal Warren Act Contracts necessary to implement the pass through provisions of the Upper Santa Ynez River Operations Agreement, dated August 1, 1989, and to expend up to \$15,000 to complete the letter agreement process.