



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

DRAFT

AGENDA DATE: September 28, 2010

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Intent To Accept Real Property At Hydroelectric Plant

RECOMMENDATION:

That Council adopt a Resolution Declaring its Intent to Accept Real Property Beneath the City's Hydroelectric Plant Granted by the United States of America Through its Bureau of Reclamation.

DISCUSSION:

The City of Santa Barbara (City) owns a hydroelectric plant located on United States Bureau of Reclamation (Reclamation) land within the fenced enclosure around Lauro Reservoir (vicinity map attached). The hydroelectric plant receives water from the City's Gibraltar Dam and Reservoir that is delivered to Santa Barbara via the City's Mission Tunnel. In 1981, the Federal Energy Regulatory Commission (FERC) issued a license to the City "to construct, operate, and maintain the Gibraltar Hydroelectric Project". In 1982, Reclamation signed a license and agreement with the City which provided for "construction, operation, and maintenance of Gibraltar Hydroelectric Project Powerplant" (site map attached).

Gibraltar Reservoir has been operated primarily to provide water to the City and to supplement peak demands of the Montecito and Carpinteria Water Districts by delivering water into Lauro Reservoir. Power generation was a secondary consideration to meeting the water needs of South Coast customers.

The City officially surrendered the FERC license in 2002 because costs for plant operation and maintenance, licensing, and other expenses exceeded the income from power sales. Also FERC requirements could interfere with water delivery from Gibraltar Reservoir. However, today a national effort is underway to develop clean, renewable sources of energy, and the City can contribute by generating hydroelectric power at its decommissioned plant. City ownership of the underlying land will allow FERC to issue a conduit exemption, thus removing regulatory barriers for restarting the plant.

Reclamation has no objection to the City's request to obtain fee ownership to the approximately one acre of land beneath the hydroelectric plant and has provided a process for the City to follow. The Cachuma Operations and Maintenance Board (COMB) operation and activities in and around Lauro Reservoir would not be affected by the land conveyance to the City. All senior access across the parcel will remain in place for both COMB and Reclamation personnel. On August 23, 2010, the COMB Board approved sending a letter (5/0) in support of the City's request to Reclamation.

SUSTAINABILITY IMPACT:

Recommissioning the City's hydroelectric plant will result in the production of clean and renewable hydroelectric power. It has been estimated by Brown & Caldwell Engineers, Inc., that initially the hydroelectric plant can produce 1600 megawatt hours (MWh) of power annually. Because of siltation at Gibraltar Dam, the amount of generation will then decline and reach a steady production of 975 MWh annually. Energy will be sold to Southern California Edison at the "California Renewable Energy Small Tariff" rate.

The hydroelectric plant will be supplying enough power to meet the electrical demand of approximately 150 to 250 single family dwellings.

ATTACHMENTS: **Vicinity Map**
 Site Map

PREPARED BY: Rebecca Bjork, Water Resources Manager/RR/

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 DECLARING ITS INTENT TO
ACCEPT REAL PROPERTY BENEATH THE CITY'S
HYDROELECTRIC PLANT GRANTED BY THE
UNITED STATES OF AMERICA THROUGH ITS
BUREAU OF RECLAMATION

WHEREAS, the City received United States Bureau of Reclamation License and Agreement No. 20-07-20-L2148 (City Agreement No. 11,539) dated July 15, 1982 which permitted the construction, operation, and maintenance of the City's Hydroelectric Plant on United States land adjacent to Lauro Reservoir; and

WHEREAS, the City's hydroelectric plant produced clean, renewable power from 1985 through 1998; and

WHEREAS, the City decommissioned the hydroelectric plant in 1998 when it was determined that project operation, maintenance, permit, and regulatory costs exceeded project revenues; and

WHEREAS, a technical analysis by Brown and Caldwell Engineers, Inc. in 2010 determined that the key to recommissioning the hydroelectric plant is for the City to acquire the land beneath it which would most likely enable the City to avoid significant regulatory costs and burdens associated with starting and operating the plant; and

WHEREAS, on August 23, 2010 the Cachuma Operations and Maintenance Board voted (5/0) to send a "letter to the Bureau of Reclamation in support of the City of Santa Barbara's request to convey ownership of a parcel of land to the City for the purpose of recommissioning its Hydroelectric Plant at Lauro Reservoir."

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. It authorizes its staff to negotiate a grant deed for conveyance of land beneath the City's hydroelectric plant from the United States of America to the City of Santa Barbara.

SECTION 2. It hereby declares its intent to accept the real property whose approximate boundaries are shown on the attached "Site Map".



City of Santa Barbara
Decommissioned
Hydroelectric Plant

U.S.B.R. Parcels

Lauro Reservoir

William B. Cater
Treatment Plant

The City of Santa Barbara Hydroelectric Plant Vicinity Map



- Legend**
- Hydroelectric Plant
 - W. Cater Treatment Plant
 - Parcel Lines

Features shown hereon were compiled from the records of various public and private entities and are for informational purposes only. The City of Santa Barbara does not accept any responsibility for the positional or completeness of this information.

City Hydroelectric Plant - Vicinity Map.mxd



City of Santa Barbara
Decommissioned
Hydroelectric Plant

Lauro Reservoir

Jesuita Ln
San Roque Rd



Not to scale

- Legend**
-  Hydroelectric Plant
 -  Plant Site Boundary
 -  Parcel Lines

The City of Santa Barbara Hydroelectric Plant Site Map

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