

RESOLUTION NO. 898

RESOLUTION OF THE BOARD OF PUBLIC UTILITIES
OF THE CITY OF SANTA ROSA

DETERMINING THAT THE GEYSERS EXPANSION PROJECT IS WITHIN THE SCOPE OF THE IRWP EIR, ADOPTING A MITIGATION MONITORING PROGRAM, ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS, MAKING CEQA FINDINGS OF FACT, APPROVING THE PROJECT, AND RECOMMENDING THAT THE CITY COUNCIL APPROVE THE GEYSERS EXPANSION PROJECT AND EXECUTE THE SECOND AMENDMENT TO THE CONSTRUCTION AND OPERATING AGREEMENT, SANTA ROSA GEYSERS RECHARGE PROJECT

WHEREAS, the City proposes to implement the Geysers Expansion Project (“Project”) which would increase the amount of recycled water delivered to the Geysers steamfield; and

WHEREAS, the Project is included as part of the larger Incremental Recycled Water Program (IRWP); and

WHEREAS, on November 6, 2003, the Council, by Resolution No. 25809, and the Board of Public Utilities (“BPU”), by Resolution No. 771, certified the Program Environmental Impact Report (EIR) for the IRWP; and

WHEREAS, on March 4, 2004, the Council, by Resolution No. 25910, and the BPU, by Resolution No. 791, certified an Addendum to the IRWP EIR and approved and adopted the IRWP Recycled Water Master Plan; and

WHEREAS, on April 5, 2007, the BPU, by Resolution No. 886, and, on April 24, 2007, the Council, by Resolution No. 26826, certified the April 2007 Addendum to the IRWP EIR evaluating the April 2007 Update to the Recycled Water Master Plan; and

WHEREAS, on August 2, 2007, the BPU by Resolution No. ___ certified the August 2007 Addendum to the IRWP evaluating the August 2007 Update to the recycled Water Master Plan, and subsequent references to the Program EIR are intended to refer to the IRWP EIR, the 2004 Addendum, the April 2007 Addendum, and the August 2007 Addendum together; and

WHEREAS, on July 27, 2007, the Geysers Expansion Project CEQA Checklist, attached as Exhibit A, was prepared under CEQA Guidelines Section 16168(c) to evaluate whether the Project is within the scope of the Program EIR for the IRWP; and

WHEREAS, the Geysers Expansion Project CEQA Checklist concludes that the Project is specifically included within the Program EIR Project Description under the Geysers Expansion Alternative, and that no new effects have been identified and no new mitigation measures would be required that were not already included in the Program EIR; and

WHEREAS, the Program EIR, Geysers Expansion Project CEQA Checklist, and supporting documentation can be reviewed at the Santa Rosa Subregional Water Reuse Plant, 4300 Llano Road, Santa Rosa, CA 95407, and online at www.SRCity.org/IRWP; and

WHEREAS, Project implementation involves conveying additional recycled water through the existing Geysers Recharge Project facilities to Geysers Power Company (“GPC”); and

WHEREAS, on June 19, 1997, the Santa Rosa Subregional Long-Term Wastewater Project EIR/EIS was certified and on January 27, 1998 the 1997 Addendum to the Santa Rosa Subregional Long-Term Wastewater Project EIR/EIS was certified; and

WHEREAS, on January 27, 1998, the Geysers Recharge Project was selected for implementation by the City; and

WHEREAS, on April 14, 1998, the *Construction and Operating Agreement, Santa Rosa Geysers Recharge Project* (“Agreement”) between Union Oil Company, NEC Acquisition Company and Thermal Power Company (jointly called “UNT”) was executed and later assigned to the Geysers Power Company (GPC), and the Agreement committed the City to construct major capital facilities, including the Geysers pipeline and pump stations, and to deliver recycled water of a specified quantity and quality; and

WHEREAS, major capital facilities were constructed and, since operation began in 2003, have conveyed a minimum of 4,015 million gallons (MG) to the steamfield each year as stipulated in the Agreement; and

WHEREAS, the First Amendment to the Agreement was executed on July 12, 2004; and

WHEREAS, the City proposes to execute the Second Amendment to the Agreement, attached as Exhibit B, with GPC, and the Second Amendment to the Agreement would:

- Increase recycled water delivery from 4,015 to 4,607 million gallons (MG) per year initially and then increase, at the City’s option, to 5,543 MG per year. Deliveries of up to 7,224 MG are possible when recycled water is available.
- Revise water quality limits such that the City may, at its option, convey water from a reverse osmosis facility to the steamfield for injection by GPC.
- Eliminate the letter of credit that was to have been provided by GPC and replace it with a \$300,000 payment by GPC to the City each year for 15 years.
- Extend the term of the Agreement contract for an additional four years beyond that in the Agreement until December 2037 and revise contract termination conditions.
- Revise provisions to allow both parties more operating flexibility before monetary penalties are imposed.

WHEREAS, the proposed Second Amendment to the Agreement preserves the indemnification of the City by GPC for seismicity claims and preserves guaranty of the timely payment of all GPC’s obligations by Calpine Corporation; and

WHEREAS, the Second Amendment to the Agreement reserves approximately 1,300 MG for other uses such as urban reuse, substantially reduces the need for additional recycled water storage reservoirs to implement the IRWP Master Plan, and substantially increases the City’s

ability to comply with existing and anticipated requirements for discharge of recycled water to the Laguna de Santa Rosa; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Public Utilities of the City of Santa Rosa hereby resolves, finds and certifies as follows:

1. The Board of Public Utilities has examined the Geysers Expansion Project in light of the Program EIR, to determine whether an additional environmental document must be prepared, and, has reviewed the Geysers Expansion Project CEQA Checklist (Exhibit A) that was prepared in compliance with CEQA and the CEQA Guidelines; and
2. The Board of Public Utilities hereby determines that the Geysers Expansion Project is within the scope of the Program EIR for the IRWP Master Plan and that this Project was covered in the Program EIR for the purposes of CEQA (CEQA Guidelines, § 15168, subd. (c)(4)); and
3. The Board of Public Utilities hereby approves the Geysers Expansion Project; and
4. The Board of Public Utilities hereby adopts the findings attached as Exhibit C to this Resolution, in accordance with Public Resources Code § 21081(a); and
5. The Board of Public Utilities hereby adopts the Statement of Overriding Considerations attached as Exhibit D to this Resolution, in accordance with Public Resources Code § 21081(b); and
6. The Board of Public Utilities hereby adopts the Geysers Expansion Project Mitigation Monitoring Program attached as Exhibit E to this resolution, in accordance with Public Resources Code § 21081.6(a)(1); and
7. The custodian of the documents or other material which constitutes the record of proceedings upon which this resolution is based is:

Glen Wright, Deputy Director Water Resources
Santa Rosa Utilities Department
69 Stony Circle
Santa Rosa, CA 95401

8. The Board of Public Utilities recommends the City Council approve the Geysers Expansion Project as described in Exhibit A.
9. The Board of Public Utilities recommends the City Council authorize the Mayor to execute the Second Amendment to the Construction and Operating Agreement, Santa Rosa Geysers Recharge Project attached as Exhibit B to this resolution.

DULY AND REGULARLY ADOPTED by the City of Santa Rosa Board of Public Utilities this 2nd day of August, 2007.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____

City Clerk

APPROVED: _____

Chairman

APPROVED AS TO FORM:

City Attorney

EXHIBITS

- A Geysers Expansion Project CEQA Checklist
- B Second Amendment to the Construction and Operating Agreement, Santa Rosa Geysers Recharge Project
- C CEQA Findings of Fact
- D Statement of Overriding Considerations
- E Geysers Expansion Project 2007 Mitigation Monitoring Program