

CHAPTER 2

ALTERNATIVES

2.1 PROPOSED ACTION ALTERNATIVE

The Proposed Action alternative evaluated in this document is the execution of up to 59 interim renewal water-service contracts between the United States and the CVP contractors listed in Table 1. Forty-two of the CVP contractors listed on Table 1 entered into interim renewal contracts on February 28, 2002. The Proposed Action would continue these existing interim contracts, with only minor, administrative changes to the contract provisions. Seventeen CVP contractors on Table 1 have long-term water-service contracts expiring now or within the next year, and will also require an interim contract in 2004 to allow continued delivery of CVP water until long-term water-service contracts can be executed. The Proposed Action would continue their existing water service contracts, with only minor, administrative changes to the contract provisions.

Sample Existing Interim Contracts are provided in Appendix B [The Existing Interim Contract used for six contractors in the Delta-Mendota Canal Unit (Coelho Family Trust, Fresno Slough WD, James ID, RD 1606, Tranquillity ID, and Tranquillity PUD) is slightly different, and is presented in Appendix B(2)]. The terms and conditions of the Existing Interim Renewal Contract are incorporated by reference into the Proposed Action contract except for these revisions:

- (a) The first sentence in Subdivision (a) of Article 1 is modified as follows: “This renewal contract shall be effective from March 1, 2004, and shall remain in effect through February 28, 2006, and thereafter will be renewed as described in Subdivision (a) of Article 2 of the Interim Renewal Contract if a long-term renewal contract has not been executed with an effective commencement date of March 1, 2006; Provided, that if a long-term renewal contract has been executed with an effective commencement date of March 1, 2005, this interim renewal contract shall expire on February 28, 2005”.
- (b) Subdivision (b)(1) of Article 2 of the Existing Interim Renewal Contract is amended by deleting the date “November 30, 2001,” and replacing same with the date “February 15, 2006.”
- (c) Subdivision (b) of Article 1 of the Existing Interim Renewal Contract is amended by deleting the dates “February 1, 2004,” “February 15, 2004,” and “February 28, 2006,” and replacing same with the dates “February 1, 2006,” “February 15, 2006,” and “February 28, 2006,” respectively.

These revisions would take effect on the date of the execution of the 2004 interim

contract. Except for these date changes and minor administrative changes, the 2004 interim contracts will remain the same as the existing interim contracts, with one exception. The contract amount for the City of Shasta Lake (City) will be 4,400 acre-feet/year rather than the 2,750 acre-feet/year in the existing interim contract.

The Proposed Action alternative is comparable to Alternative 1, continuation of existing interim contracts, analyzed in the 2000 Supplemental EA. The period of renewal for each 2004 contract would be for two years, as permitted under subsection 3404(c)(1) of CVPIA. Subsection 3404(c)(1) specifies that interim renewal contracts will not exceed three years in length, and be for successive interim periods of not more than two years in length. The current contract provisions are those that are included in the existing interim renewal contracts and specified in the 2002 Supplemental EA. They contain only minor variations from the provisions described in the 1994 EA, the 1998 Supplemental EA, and the 2000, and 2001 Supplemental EAs.

All other existing contract provisions such as contract supply, payment, water quality, water measurement, water conservation, water shortage, discretionary provisions of the Reclamation Reform Act, Endangered Species Act compliance, and standard articles are not changed (see Section 2.1.1 of the 2000 Supplemental EA, presented in Appendix C).

2.2 ALTERNATIVES CONSIDERED BUT ELIMINATED FROM FURTHER ANALYSIS

2.2.1 No Renewal of Interim Contracts

Nonrenewal of existing contracts is considered infeasible based on Section 3404(c) of the CVPIA. Section 3404(c) states "...the Secretary **shall**, upon request, renew any existing long-term repayment of water service contract for the delivery of water from the CVP...." The non-renewal alternative was considered, but eliminated from analysis in this EA because Reclamation has no discretion not to renew existing water service contracts.

2.2.2 Reduction in Interim Contract Amounts

Reduction in contract water amounts due to the current delivery constraints on the CVP system (identified in the PEIS) was considered in certain cases, but rejected from analysis for several reasons:

First, the Reclamation Project Act of 1956 and the Reclamation Project Act of 1963 mandate renewal of existing contract amounts when beneficially used. Water-needs analyses have been completed for all CVP contracts to identify the amount of water that could be beneficially used by each water service contractor. In almost all cases, the needs exceed or equal the current total contract amount. The contract amounts

are constrained not to exceed the beneficial use or the existing contract amount, whichever is less.

Second, the shortage provision of the water service contract protects Reclamation's Contracting Officer from liability from the shortages in water allocations that exist due to drought, other physical constraints, and actions taken to meet legal or regulatory requirements. Such legal or regulatory actions include, for example, actions to implement the CVPIA, which has dedicated significant amounts of CVP water to environmental uses and which provides funding from the CVP contractors to improve habitat and to acquire water for environmental purposes. The CVPIA required the CVP to institute environmental management as part of the CVP operations, such as allocation of 800,000 acre-feet for fish and wildlife purposes, refuge water supply, and acquisition of water from willing sellers. These legal requirements, in addition to existing Federal and State requirements of CVP operations provide regulatory/environmental use of CVP water and constrain the actual water delivery amounts.

Third, retaining the full historic water quantities under contract provides the contractors with assurance the water will be made available in wetter years and helps to support investments for local storage, water conservation improvements and capital repairs.

2.2.3 Other Alternatives

Other alternatives, including tiered pricing, are being addressed through the negotiations process for long-term contracts. Appropriate alternatives will be evaluated as part of the environmental compliance process for long-term contract renewals. Reclamation is aggressively pursuing completion of long-term contract renewal. Reclamation anticipates completing the environmental compliance and the execution of long-term water service contracts within this interim period (2004 to 2006).