

Chapter 1

Purpose and Need

INTRODUCTION

The Central Valley Project (CVP) is the largest water storage and delivery system in California, with a geographic scope covering 35 of the state's 58 counties. The CVP is divided into nine divisions; one of these divisions is the Delta Division, which includes the Contra Costa Canal system. This Environmental Assessment (EA) addresses the proposed renewal of the long-term water service contract for the Contra Costa Canal system, which is operated by the Contra Costa Water District (CCWD). The U.S. Bureau of Reclamation (Reclamation) and the CCWD propose to execute a new long-term water service contract to replace the existing *Amendatory Contract Between the United States and Contra Costa Water District Providing for Water Service and for Facilities Repayment* (Amendatory Contract) (No. I75r-3401) that is set to expire December 31, 2010. The new long-term water service contract will provide for delivery of water from the CVP to the CCWD (Figure 1-1). The execution of this contract would bring the CCWD contract in line with all other long-term water service contracts being proposed and/or executed within the CVP and would allow CVP water deliveries to the CCWD service area to continue.

The long-term water service contract proposed in this EA would continue to deliver the same amount of CVP water as the existing contract for a period of up to 40 years. The location of the proposed action is the land in the CCWD service area that would receive CVP water under the proposed long-term water service contract.

This EA has been prepared pursuant to and in accordance with the National Environmental Policy Act (NEPA) of 1969 (42 USC § 4321-4370d) and the Council on Environmental Quality (CEQ) regulations on implementing NEPA (40 CFR Parts 1500-1508).

PURPOSE AND NEED FOR THE ACTION

Reclamation is responsible for operational control of the CVP, including securing payment for the cost of water facilities and operations and maintenance established in the water service contract with the federal government. In addition, as a duly authorized representative, Reclamation administers all actions pertaining to the establishment of water service contracts on behalf of the Secretary of the Interior.

The purpose of this action is to execute a new long-term water service contract for the CCWD service area, consistent with Reclamation authority and all applicable state and federal laws, including the Central Valley Project Improvement Act (CVPIA) (H.R. 429, Public Law 102-575). The project alternatives include the terms and conditions of the long-term water service contract and tiered water pricing. Execution of a new long-term water service contract is needed to:

- Continue the beneficial use of water, developed and managed as part of the CVP, with a reasonable balance among competing demands, including the needs of irrigation and domestic uses; fish and wildlife protection, restoration, and mitigation; fish and wildlife enhancement; power generation; recreation; and other uses consistent with requirements imposed by the State Water Resources Control Board (State Board) and the CVPIA;
- Incorporate certain administrative conditions into the renewed contract to ensure CVP's continued compliance with current federal reclamation law and other applicable statutes; and
- Allow the continued reimbursement to the federal government for costs related to CVP construction and operation.

BASIS TO RENEW CENTRAL VALLEY PROJECT WATER SERVICE CONTRACTS

The River and Harbors Act of 1935 included the initial authorization for the CVP. The Central Valley Project Authorization Act of 1937 re-authorized the CVP and allowed the Secretary to enter into repayment contracts and other necessary contracts with “all agencies with which contracts are authorized under reclamation law.”

Public Law 88-44, the Reclamation Project Act of 1939, provided for repayment of construction charges and authorized sale of CVP water to municipalities and other public corporations and agencies, plant investment, and certain irrigation water deliveries to leased lands. This act required the Secretary to comply with laws of the State relating to the control, appropriation, use, or distribution of water used in irrigation or vested rights acquired hereunder. This act also provided that the Secretary include provision for contract renewal, upon request of the other party to any long-term contract for municipal, domestic, or industrial water supply. The contract renewal would be subject to renegotiation of: (1) the charges set forth in the contract in the light of circumstances prevailing at the time of renewal; and (2) any other matters with respect to which the right to renegotiate is reserved in the contract. The act also states that the Secretary shall, upon request, provide in any such long-term contract that the other party to the contract shall, during the term of the contract and of any renewal (subject to fulfillment of other obligations), have a first right to a stated share or quantity of the CVP water supply available for municipal, domestic, industrial, or irrigation use.

Section 9(c) of the Reclamation Project Act of 1939 authorized the Secretary to enter into contracts to furnish water for municipal water supply or miscellaneous purposes, provided that such contracts require repayment to the United States over a period not to exceed 40 years. Section 9(e) of the Reclamation Project Act of 1939 allowed the Secretary to enter into either short- or long-term contracts to furnish water for irrigation purposes, with each such contract to be for a period not to exceed 40 years.

The Water Service Contracts Act of 1944 provided for delivery of specific quantities of irrigation and municipal and industrial (M&I) water to contractors.

The Reclamation Project Act of 1956 provided the right of renewal of long-term repayment or water service contracts for agricultural contractors for a term not to exceed 40 years. The Reclamation

Source: NSR, Inc.; CCWD; U.S. Bureau of Reclamation; Teale GIS Solutions Group; rescolar
GAP Analysis of Mainland California, 1998 03-24-04

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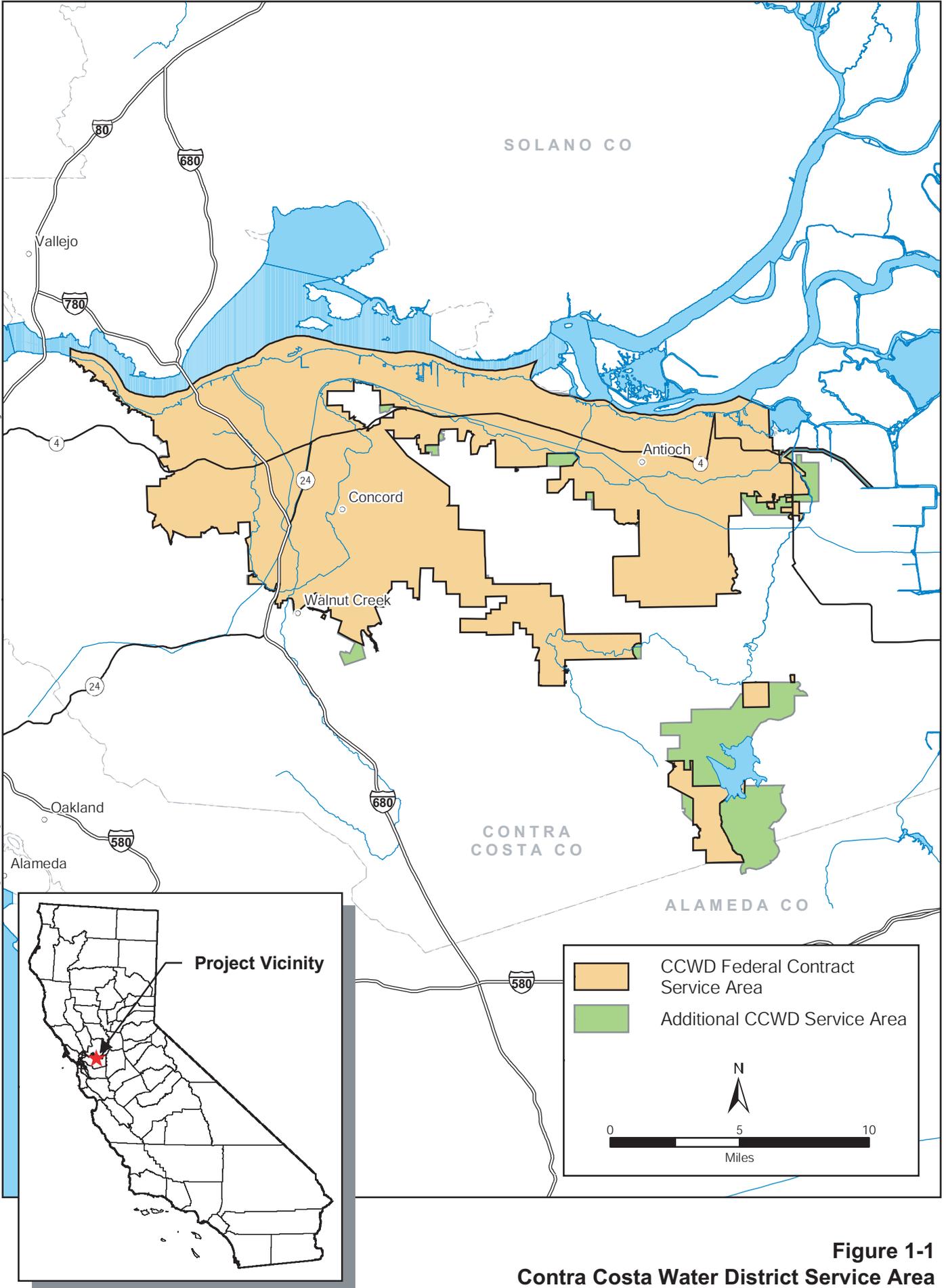


Figure 1-1
Contra Costa Water District Service Area

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Project Act of June 21, 1963, Renewal of Water Supply Contracts, extended the right of renewal of long-term repayment or water service contracts for M&I contractors.

On October 30, 1992, the President signed into law the Reclamation Projects Authorization and Adjustment Act of 1992 (Public Law 102-575) that included Title XXXIV, the Central Valley Project Improvement Act (CVPIA). The CVPIA amended the previous authorizations of the CVP to include fish and wildlife protection, restoration, and mitigation as project purposes having equal priority with irrigation and domestic uses and fish and wildlife enhancement as a project purpose equal to power generation. Section 3409 of the CVPIA required the Secretary to prepare a Programmatic Environmental Impact Statement (PEIS) to evaluate the direct and indirect impacts and benefits of implementing the CVPIA. That PEIS was prepared under the NEPA by Reclamation and U.S. Fish and Wildlife Service (Service). Reclamation released a Draft PEIS on November 7, 1997. An extended comment period closed on April 17, 1998. Reclamation and the Service released the final CVPIA PEIS in October 1999 and the joint Record of Decision (ROD) in January 2001.

Section 3404(c) of the CVPIA directs the Secretary to renew existing CVP water service and repayment contracts following completion of the PEIS and other needed environmental documentation by stating that:

"...the Secretary shall, upon request, renew any existing long-term repayment or water service contract for the delivery of water for a period of 25 years and may renew such contracts for successive periods of up to 25 years each....(after) appropriate environmental review, including preparation of the environmental impact statement required in section 3409 (i.e., the PEIS)...."

Section 3404(c) of the CVPIA clearly indicates that 25 years will be the upper limit for long-term irrigation repayment and water service contracts within the CVP. However, Section 3404(c) did not amend the provisions of Section (9)(c) of the Reclamation Project Act of 1939 and the Act of June 21, 1963, which authorized renewal of M&I water contract terms for up to 40 years. These 1939 and 1963 authorizations remain in place as guidance for establishing the terms of M&I contracts.

BASIS TO RENEW CONTRA COSTA WATER DISTRICT WATER SERVICE CONTRACT

The Central Valley Project Authorization Act of 1937 authorized construction of the initial CVP project features for navigation, flood control, waste storage, construction of distribution systems, and hydropower generation. The River and Harbors Act of 1940 further authorized construction of CVP facilities and mandated that dams and reservoirs be used first for river regulation, improvement of navigation, and flood control; second for irrigation and domestic uses; and third for power. In 1994, CCWD entered into an Amendatory Contract with Reclamation for the delivery of up to 195,000 acre-feet of water per year for M&I and agricultural uses in the CCWD service area. The Amendatory Contract expires in 2010.

Contra Costa Canal, one of the first CVP facilities, was completed in 1948. Figure 1-2 shows the CVP facilities within the CCWD service area. Facilities within the CCWD federal service area

include the Contra Costa Canal system; the intake channel from Rock Slough; the Clayton and Ygnacio Relift Canals and pumping plants 1, 2, 3, and 4; the Contra Loma Dam and Reservoir; the Short Cut Pipeline; and the lateral distribution system.

RELATIONSHIP OF THIS DOCUMENT TO THE 1999 CVPIA PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT

The CVPIA PEIS provided a programmatic evaluation of the impacts of implementing the CVPIA (Reclamation and Service 1999). The impact analysis considered a No Action Alternative; five main alternatives, including a Preferred Alternative; and 15 supplemental analyses.

The impact analysis in the PEIS was completed at a subregional level but was presented in the PEIS on a regional basis. In the PEIS, the Contra Costa Canal was considered a “north of the Delta” facility. The PEIS No Action Alternative assumed that existing water service contracts would be renewed under the same terms as expiring contracts. The CVPIA PEIS included a Preferred Alternative that addressed the regional impacts and benefits of the general method that Reclamation anticipated for implementation of CVPIA, including long-term contract renewals.

The PEIS evaluated the impacts and benefits of long-term contract renewals under CVPIA. Following completion of the PEIS, Reclamation began preparing more specific information related to the renewal of long-term water service contracts, including this document, which addresses specific impacts related to executing a long-term renewal contract for the Contra Costa Canal service area. This document is tiered from the PEIS and includes the Preferred Alternative of the PEIS as the No Action Alternative.

The PEIS and the Biological Opinion prepared for the operation and maintenance of the CVP and implementation of CVPIA considered and addressed impacts caused by CVP actions. Therefore, this document does not need to address operations of the CVP.

OTHER RELATED DOCUMENTS OR ACTIVITIES

There are several activities being implemented by Reclamation as part of the obligation to manage and operate the CVP. The following discussion identifies these activities and describes their relationship to the execution of a new long-term water service contract with the CCWD. Related studies and projects that have been conducted recently or are currently being completed are summarized in Table 1-1.

In 2003, the CCWD completed a 21-mile Multi-Purpose Pipeline (MPP) that connects a water treatment plant in East Contra Costa County to the distribution system in Central Contra Costa County. The MPP provides the physical means to convey and deliver existing and future water supplies, as well as to substantially increase the reliability of the existing conveyance system. CCWD is also implementing its Future Water Supply Implementation (FWSI) program. The FWSI program provides a plan for meeting the expected water supply needs of CCWD’s customers through 2040, including the renewal of the water service contract with Reclamation through the CVP. The city

**TABLE 1-1
RELATED ACTIVITIES**

Project or Study and Lead Agency	Summary
Long-Term Contract Renewal of Other Existing CVP Water Service Contracts – Reclamation	Reclamation is in negotiation with other CVP water contractors for renewal of long-term contracts, including contractors for the American River Division, Feather Water District, Shasta and Trinity River Divisions, Sacramento Canals Unit, San Luis Unit, San Felipe Unit, Delta-Mendota Canal Unit, San Joaquin National Veterans Cemetery, City of Lindsay, City of Fresno, Cross Valley, and Mercy Springs Water District.
Implementation of CVPIA	Reclamation and the Service are proceeding with implementation of other provisions of CVPIA, including stream restoration, refuge water supplies, and further analysis of yield replacement.
CALFED Bay-Delta Program – CALFED	Established in May 1995, the consortium of federal and state agencies is charged with the development of a long-term solution to Delta water concerns. CALFED completed an Environmental Impact Report (EIR)/Environmental Impact Statement (EIS) as part of this process. Renewal of long-term CVP contracts is assumed within the CALFED EIR/EIS and ROD.
Coordinated Operating Agreement (COA) and Operations Criteria and Plan (OCAP) Update – U.S. Bureau of Reclamation and California Department of Water Resources	Provisions and requirements of the CVPIA, State Water Resources Control Board Order 1641, the CALFED Bay-Delta Program, and other agency mandates require that the existing operational roles and responsibilities of the State Water Project and CVP be reviewed and updated to provide appropriate long-term operating criteria and procedures for the two primary water storage and delivery projects affecting waterways of the Central Valley.
Trinity River Mainstem Fishery Restoration Environmental Impact Statement/Environmental Impact Report	The Service completed a Final EIS/EIR and ROD. Based on subsequent litigation, the Service is preparing a Supplemental EIS and an EIR. The Service and Reclamation also are implementing a portion of the recommendations for restoration activities along the Trinity River.
Vernalis Adaptive Management Plan	The Vernalis Adaptive Management Plan (VAMP) provides protective measures for fall-run chinook salmon and gathers scientific information on survival of salmon smolts through the Delta. The VAMP will be implemented through experimental flows on the San Joaquin River and export pumping rates with a temporary fish barrier on Old River during the 1-month period each year from approximately April 15 to May 15. Additional attraction flows are targeted for October. The VAMP includes water acquisition for a pulse flow at Vernalis during the April and May period, and other flows identified to meet anadromous fish flow objectives. The San Joaquin River Group Authority, Reclamation, and the Service prepared a Final EIS/EIR for the water acquisition component of VAMP in January 1999.

and County governments also are implementing projects within their respective spheres of jurisdiction that relate to the CCWD service area. The following summarizes the Reclamation, CCWD, and local jurisdiction projects related to the continued provision of adequate amounts of raw and treated water in the CCWD service area.

Los Vaqueros Project

In 1994, Reclamation executed an Amendatory Contract with CCWD (No. I75r-3401) that provided for operation of the Los Vaqueros Project (LVP). Completed in 1998, the LVP includes a 100,000 acre-foot reservoir located 8 miles south of Brentwood, and related intake, pumping, conveyance, and blending facilities. Water to fill the reservoir comes from the south Delta by means of a new pump station on Old River near Highway 4. The purpose of the reservoir is to improve CCWD's water quality by storing higher quality Delta water during wet periods to blend with CCWD's on-going Delta supply during dry periods. The reservoir also provides CCWD with an assured 30- to 90-day emergency water supply. The Los Vaqueros pumping plants, pipelines, and reservoir are owned and operated by CCWD. On March 2, 2004, voters approved a measure to allow CCWD and CALFED to move forward on CALFED-funded expansion studies related to the Los Vaqueros Reservoir.

Future Water Supply Implementation Program

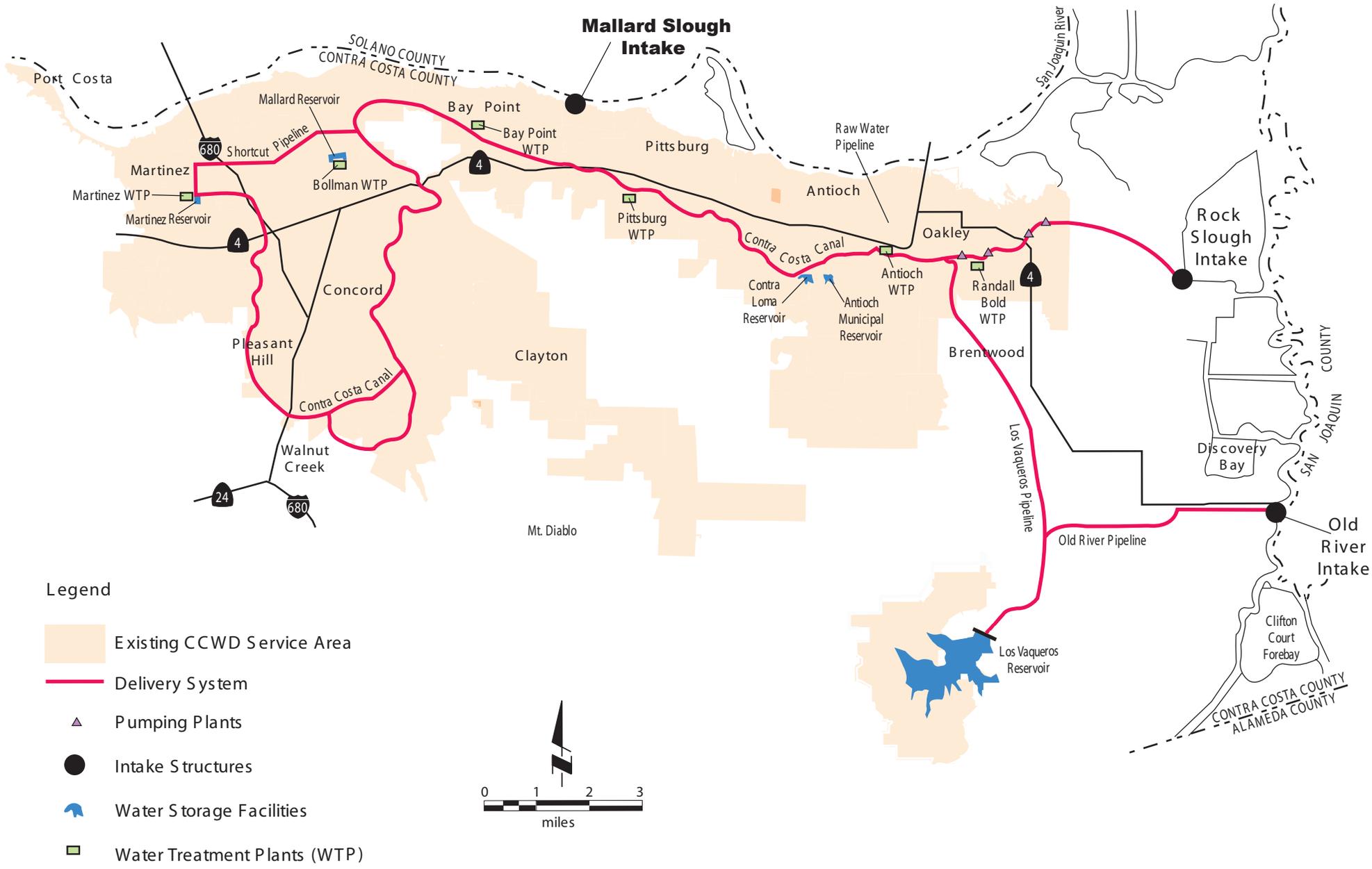
CCWD completed the Future Water Supply Study in 1996 to identify the preferred approach to offering customers a high-quality, reliable water supply for the next 50 years. The study recommendations included developing future water supplies to meet projected demands of 219,400 acre-feet per year by the year 2040, through a combination of phased components. Components of the FWSI program include renegotiation and renewal of the CVP Amendatory Contract; increased conservation by wholesale and retail customers; and purchase of water transfers of up to 24,400 acre-feet per year to accommodate near-term drought needs while allowing the flexibility to meet future demands.

The Seismic Reliability and Improvements Project Study

A study addressing the seismic reliability of the District-wide water delivery system was completed by CCWD in January 1997. To respond to the reliability and capacity needs of CCWD customers, five improvements to the raw water delivery system, in addition to the Multipurpose Pipeline (MPP) project described below, were identified to meet the criteria for reliable service following an earthquake. The improvements include: (1) a pipeline intertie between the existing Shortcut Pipeline and the Mallard Reservoir; (2) modifications to the Shortcut Pipeline at the Concord Fault crossing; (3) landslide mitigation at the canal tunnel; (4) landslide mitigation at Canal Milepost 25; and (5) modification of petroleum pipelines where they cross over the canal.

Multi-Purpose Pipeline Project

The Seismic Reliability and Improvements Project identified the MPP as one of the primary projects to increase the reliability and capacity of the raw water delivery system, and to deliver additional treated water to supplement the Bollman Water Treatment Plant supply. Under the project, which was completed in 2003, CCWD obtained approval from Reclamation to construct and operate two



Source: Jones & Stokes Associates, Inc.

Figure 1-2
CCWD Federal Contract Service Area and Facilities

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water pipelines within the Contra Costa Canal right-of-way (ROW) and to make minor improvements to the canal. The 20-mile pipeline carries treated water from the Randall-Bold Water Treatment Plant in Oakley to CCWD's treated water service area.

The MPP project includes a multi-purpose pipeline, raw water pipeline, and modifications to the canal. The modifications to the canal occurred at the canal gates, the Neroly Blending Facility, and the segment of the canal between Pumping Plant 4 and the tunnel. The gate modifications were designed to improve water flow. The Neroly Blending Facility is a segment of the canal where water from the Sacramento–San Joaquin Delta mixes with water from the Los Vaqueros Reservoir. To improve mixing and to meet year 2020 capacity requirements, this segment of the canal was enlarged.

Mallard Slough Pump Station Project

The Mallard Slough Pump Station is at the southern end of a dredged intake channel in northern Contra Costa County. The pump station pumps up to 25 million gallons per day of raw water to Mallard Reservoir via the Mallard Pipeline. The primary objectives of the project were to replace the approximately 65-year-old pump station to minimize impacts on fisheries and to increase emergency capacity by improving the reliability of the emergency raw water supply following seismic events. This project also included the installation of a new pipeline to convey the flows to the canal. The connection to the existing Mallard Pipeline was maintained for redundancy. Project construction was completed in 2000.

Contra Loma Reservoir Swim Lagoon Project

The Contra Loma Dam and Reservoir were constructed to respond to peaking requirements and system reliability for the CCWD. On June 28, 1997, CCWD was issued a compliance order from the California Department of Health Services (DOHS) regarding Contra Loma Reservoir. The compliance order required that CCWD either prohibit body contact recreation in Contra Loma Reservoir or eliminate use of the reservoir as a source of domestic water supply. In response to the compliance order, CCWD constructed a separate swimming lagoon within the existing reservoir. A concrete-covered earthen berm was constructed that physically separated the swim lagoon from the main portion of the 80-acre reservoir. The purpose of the project was to comply with the DOHS order while maintaining the operational benefits currently derived from the Contra Loma Reservoir. The project is a component of the Contra Costa Canal system.

TERM OF THE CONTRACT

The CVPIA states that the Secretary shall, upon request, renew any existing long-term irrigation repayment or water service contracts for the delivery of CVP water for a 25-year period. Section 3404(c) of the CVPIA clearly indicates that 25 years will be the upper limit for long-term irrigation repayment and water service contracts within the CVP. However, Section 3404(c) did not amend the provisions of Section 9(c) of the Reclamation Project Act of 1939 and the Reclamation Project Act of June 21, 1963, which authorized renewal of M&I water contracts for up to 40 years. These authorizations remain in place as guidance for establishing the terms of M&I contracts. Therefore, under the federal action, the term for agricultural (irrigation) water service contracts is 25 years, the term for mixed agricultural/M&I water service contracts is 25 years, and the term for M&I-only

long-term water service contracts is 40 years. Because the proposed long-term water service contract with the CCWD will provide for delivery of CVP water for M&I uses only, the term of the proposed contract is 40 years.

PUBLIC INVOLVEMENT PROCESS

On October 15, 1998, Reclamation published a notice of intent (NOI) in the Federal Register to announce the preparation of environmental documents for long-term renewal of CVP water service contracts. Scoping meetings were held at eight locations throughout the CVP service area. Reclamation completed a scoping report in April 1999. Scoping served as a fact-finding process that helped identify public concerns and recommendations about the NEPA process, issues that would be addressed in this document, and the scope and level of detail for analyses.

The long-term water service contract renewal process was conducted as a public process. Throughout the contract renewal process, meetings were held with the contractors, other agencies, interest groups, and the public. Issues raised during the public involvement process were addressed in the negotiations process and were used to prepare this EA.