

RECLAMATION

Managing Water in the West

FINDING OF NO SIGNIFICANT IMPACT

Assignment of 250 acre-feet of Lewis Creek Water District's Central Valley Project Friant Division Class 1 Water to Hills Valley Irrigation District

FONSI-11-043

Recommended by:


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Date: 09/21/2012

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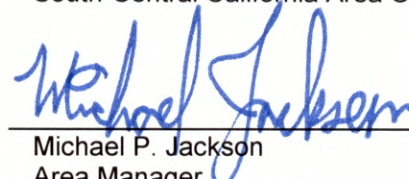
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Date: 9/27/2012



Introduction

In accordance with section 102(2)(c) of the National Environmental Policy Act (NEPA) of 1969, as amended, the South-Central California Area Office of the Bureau of Reclamation (Reclamation), has determined that an Environmental Impact Statement (EIS) is not required to approve the assignment of 250 acre-feet (AF) of Lewis Creek Water District's (LCWD's) Central Valley Project (CVP) Friant Division Class 1 water to Hills Valley Irrigation District (HVID). This Finding of No Significant Impact (FONSI) is supported by Reclamation's Environmental Assessment (EA)-11-043, *Assignment of 250 acre-feet of Lewis Creek Water District's Central Valley Project Friant Division Class 1 Water to Hills Valley Irrigation District*, and is hereby incorporated by reference.

Reclamation provided the public with an opportunity to comment on the Draft FONSI and Draft EA between August 1, 2012 and August 31, 2012. Reclamation received one comment letter from Arvin-Edison Water Storage District. The comment letter and Reclamation's response to comments can be found in Appendix A of the Final EA.

Background

HVID is a South-of-Delta (SOD) Cross Valley CVP contractor with a water service contract (Contract No. 14-06-200-8446A-IR13) for 3,346 AF with Reclamation from the Sacramento-San Joaquin River Delta (Delta). In addition, HVID is a subcontractor with the County of Tulare, a SOD Cross Valley Contractor, for 2,908 AF of CVP Delta water (Contract No. 14-06-200-8293A-IR13).

LCWD is a Friant Division CVP contractor with a 9(d) Repayment Contract (Contract No. 14-06-200-1911D) with Reclamation for 1,450 AF of Class 1 agricultural supply. Class 1 water is considered as the first 800,000 AF supply of CVP water stored in Millerton Lake, which will be available for delivery from the Friant-Kern Canal (FKC) and/or Madera Canals as a dependable water supply during each Contract Year¹. Class 1 waters are not inclusive of waters released by Reclamation from Friant Dam for environmental and/or other obligations.

LCWD ran into some financial management issues in the 1990's and implemented a Financial Recovery Plan (FRP) in 2002. As part of the FRP, LCWD partnered with HVID, with the approval of Reclamation, to resolve the prior financial and administrative issues. Under the FRP, HVID provides funds to LCWD in exchange for an annual obligation to transfer 622 AF of LCWD's Class 1 allocation to HVID.

HVID and LCWD have since requested Reclamation approval for the assignment of 250 AF of LCWD's Class 1 supply to HVID. Approval of the assignment will eliminate LCWD's annual obligation to transfer 622 AF of its' Class 1 supply to HVID.

¹ A Contract Year is from March 1 of a given year through February 28/29 of the following year.

Proposed Action

Reclamation proposes to approve the assignment of 250 AF of LCWD's Class 1 allocation from Millerton Lake to HVID and the consequent reduction of LCWD's Class 1 allocation. Pursuant to agreement between HVID and LCWD, approval of the assignment will result in the modification of the FRP by eliminating the annual obligation to transfer 622 AF of LCWD's Class 1 water to HVID.

Delivery of this water to HVID will be done through an existing turnout on the FKC at milepost 41.16. The assigned 250 AF of Class 1 contractual supply will be used to meet HVID's existing in-district demands and other uses consistent with the existing Repayment Contract and Reclamation approvals.

No new infrastructure, modifications of facilities, or ground disturbing activities will be needed for movement of this water. No native or untilled land (fallow for three consecutive years or more) will be cultivated with water involved with these actions. Reclamation's South-Central California Area Office has initiated an Environmental Commitment Program in order to implement, track and evaluate these environmental commitments.

Reclamation's finding that implementation of the Proposed Action will result in no significant impact to the quality of the human environment is supported by the following findings:

Findings

Water Resources

The Proposed Action is the assignment of an existing CVP Class 1 allocation from a Friant Division CVP contractor to another CVP contractor located within the Friant Division service area. No additional diversions are being generated or needed for the assignment. No modifications of existing facilities are required for the movement of this water from LCWD to HVID. Therefore, there will be no impact to the San Joaquin River, district and federal facilities or water rights as a result of the Proposed Action.

The proposed assignment of 250 AF of LCWD's Class 1 water supply is 17 percent of its total Class 1 water supply; however, as a result of the assignment, LCWD will recover control of the difference between the previously committed 622 AF of supply dedicated to HVID annually pursuant to the FRP and the 250 proposed for assignment. This difference will result in a net gain of 372 AF of Class 1 water available for delivery within LCWD providing increased water supply availability within the district.

The addition of 250 AF of Class 1 water to HVID's overall water supply will help increase water supply reliability in HVID. Therefore, the Proposed Action will have beneficial impacts to water resources within HVID.

Incidental recharge of the underlying groundwater from use of imported surface water for irrigation will be similar to existing conditions. The movement of water to or from LCWD to neighboring areas of shared groundwater resources will not change significantly as the amount of

water being assigned (250 AF) is small in comparison to the overall amount of water imported into the region and the history of LCWD participating in transfers and exchanges that resulted in water movement to other areas of the Friant service area, particularly after adoption of the FRP.

Land Use

Under the Proposed Action, neither LCWD nor HVID will change historic land and water management practices. The proposed assignment of LCWD's CVP water will move through existing facilities for delivery to lands within HVID and will be used on existing crops. The water will not be used to place untilled or new lands into production, or to convert undeveloped land to other uses. Therefore, there will be no change to land use as a result of the Proposed Action.

Biological Resources

Under the Proposed Action, water will be conveyed in existing facilities to established agricultural lands only. The Proposed Action will not modify designated critical habitat for California tiger salamander (i.e., Unit 3a) within which the service areas are located, nor will the Proposed Action preclude or reduce this critical habitat's role in the conservation and recovery of the species. No new facilities will be required to bring the water to these locations, and no native or untilled lands will be brought into production by the Proposed Action.

Reclamation has determined that the Proposed Action will have no effect on Federally listed or proposed to be listed threatened or endangered species, designated critical habitat, or proposed critical habitat. The Proposed Action will not affect migratory birds, imperiled species, unique habitats, or species and habitats protected by federal or state law. No Essential Fish Habitat exists in the authorized Place of Use within the bounds of the agencies. The Proposed Action could not affect Essential Fish Habitat.

Cultural Resources

No new construction or ground disturbing activities will occur as part of the Proposed Action. There will be no change in land or water use, no new infrastructure, modifications of facilities, or ground disturbing activities for movement of this water. No native or untilled land (fallow for three consecutive years or more) will be cultivated with water involved with these actions. The proposed undertaking for Reclamation to approve the assignment of 250 AF of LCWD's Class 1 allocation from Millerton Lake to HVID and the consequent reduction of LCWD's Class 1 allocation has no potential to cause effects to historic properties pursuant to the Section 106 implementing regulations at 36 CFR Part 800.3(a)(1).

Indian Sacred Sites

The Proposed Action will not limit access to and ceremonial use of Indian sacred sites on Federal lands by Indian religious practitioners or significantly adversely affect the physical integrity of such sacred sites. There will be no impacts to Indian Sacred Sites as a result of the Proposed Action.

Indian Trust Assets

The Proposed Action will not impact Indian Trust Assets as there are none in the Proposed Action area.

Environmental Justice

The Proposed Action may support and maintain jobs that low-income and disadvantaged populations rely upon through increased irrigation water supply reliability. Since the assigned water is a small percentage of the overall water supplies available to LCWD and because LCWD has historically transferred similar amounts of water out of the district, the assignment is not likely to result in any economic uncertainty that will affect agricultural employment within LCWD. The Proposed Action may support and maintain jobs in HVID that low-income and disadvantaged populations rely upon through increased irrigation water supply reliability. Therefore, there may be a beneficial impact to minority or disadvantaged populations in LCWD and HVID as a result of the Proposed Action.

Socioeconomic Resources

The assignment of 250 AF of LCWD's Class 1 allocation to HVID will reduce the potential need for HVID to purchase additional water supplies at a much higher rate on the open market. The availability of this additional supplemental water supply will have beneficial impacts on socioeconomic resources with HVID as this water will be used to help sustain existing crops. Since the assigned water is a small percentage of the overall water supplies available to LCWD and because LCWD has historically transferred similar amounts of water out of the district, the assignment is not likely to result in any economic uncertainty that will affect agricultural employment within LCWD. Therefore, there will be positive impacts to socioeconomic resources within both districts as a result of the Proposed Action.

Air Quality

Under the Proposed Action, Friant Division Class 1 water will be delivered off the FKC to HVID rather than to LCWD. Delivery of this water will require no modification of existing facilities or construction of new facilities. In addition, water delivery under the Proposed Action will move through the FKC via gravity and electrical pumps as it will under the No Action Alternative. Therefore, a conformity analysis is not required pursuant to the Clean Air Act and there will be no impact to air quality as a result of the Proposed Action.

Global Climate

Neither the Proposed Action nor the No Action alternative will involve physical changes to the environment or construction activities and, therefore, will not impact global climate change. Global climate change is expected to have some effect on the snow pack of the Sierra Nevada and the runoff regime. Current data are not yet clear on the hydrologic changes and how they will affect the San Joaquin Valley. CVP water allocations are made dependent on hydrologic conditions and environmental requirements. Since Reclamation operations and allocations are flexible, any changes in hydrologic conditions due to global climate change will be addressed within Reclamation's operation flexibility and therefore surface water resource changes due to climate change will be the same with or without either alternative.

Cumulative Impacts

Cumulative impacts result from incremental impacts of the Proposed Action or No Action alternative when added to other past, present, and reasonably foreseeable future actions. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time. Significance exists if it is reasonable to anticipate a cumulatively

significant impact on the environment. To determine whether cumulatively significant impacts are anticipated from the Proposed Action or the No Action alternative, the incremental effect of both alternatives were examined together with impacts from past, present, and reasonably foreseeable future actions in the same geographic area.

As in the past, hydrological conditions and other factors are likely to result in fluctuating water supplies which drives requests for water service actions. Water districts aim to provide water to their customers based on available water supplies and timing, all while attempting to minimize costs. Farmers irrigate and grow crops based on these conditions and factors, and a myriad of water service actions are approved and executed each year to facilitate water needs. Each water service transaction involving Reclamation undergoes environmental review prior to approval.

Existing or foreseeable projects, in addition to the proposed assignment between LCWD and HVID, which could affect or could be affected by the Proposed Action or No Action alternative, include the following:

Accelerated Water Transfer Program The Central Valley Project Improvement Act (CVPIA) was signed into law in 1992 to mandate changes in management of the CVP. In addition to protecting, restoring, and enhancing fish and wildlife, one of the other purposes of the CVPIA is to increase water-related benefits provided by the CVP to the State of California through expanded use of voluntary water transfers and improved water conservation. To assist California urban areas, agricultural water users, and others in meeting their future water needs, Section 3405(a) of the CVPIA authorizes all individuals or districts who receive CVP water under water service or repayment contracts, water rights settlement contracts or exchange contracts to transfer, subject to certain terms and conditions, all or a portion of the water subject to such contract to any other California water users or water agency, State or Federal agency, Indian Tribe, or private non-profit organization for project purposes or any purpose recognized as beneficial under applicable State law.

After enactment of the CVPIA, Reclamation has historically acknowledged water transfers and/or exchanges between CVP contractors geographically situated within the same region and who are provided water service through the same CVP facilities under an Accelerated Water Transfer Program (AWTP). In 2011, Reclamation approved the continuation of the Friant Division/Cross Valley AWTP through February 29, 2016. Reclamation prepared EA-10-052, *Accelerated Water Transfer Program for Friant Division and Cross Valley Central Valley Project Contractors, 2011-2015* and a FONSI was signed on February 11, 2011.

San Joaquin River Restoration Program The San Joaquin River Restoration Program (SJRRP) is a long-term effort to restore flows to the San Joaquin River from Friant Dam to the confluence of Merced River in order to meet the two goals established in the Settlement. In 2007, Reclamation released a notice of intent to prepare a programmatic EIS/Environmental Impact Report (EIR) in the Federal Register. The draft programmatic EIS/EIR was released for a 60 public review on April 22, 2011. A final programmatic EIS/EIR is pending.

As an initial action to guide implementation of the SJRRP, the Settlement requires that Reclamation modify releases from Friant Dam from October 1 to September 30 for a program of

interim flows in order to collect pertinent scientific data and to implement a monitoring program. Environmental effects for the release of interim flows from Friant Dam down the San Joaquin River were addressed in a FONSI and EA/IS entitled *Water Year 2010 Interim Flows Project* (Reclamation 2010). Supplemental EAs and FONSIs for continuation of interim flows were also completed for Water Years 2011 and 2012 (October 1, 2011 through September 30, 2013). Full restoration flows are scheduled to start no later than January 1, 2014.

In order to reduce or avoid adverse water supply impacts to all of the Friant Division long-term contractors that may result from the interim flows, Reclamation developed plans for recirculation, recapture, reuse, and exchange or transfer of interim flows. An EA that analyzed the impacts of recirculation of interim flows entitled *Recirculation of Recaptured Water Year 2012 San Joaquin River Restoration Program Interim Flows* was released for public comment on February 7, 2012 and a FONSI completed on April 3, 2012.

Assignment between Southern San Joaquin Municipal Utility District and Kern-Tulare Water District Reclamation received a request to approve the assignment of 5,000 AF of Southern San Joaquin Municipal Utility District's Friant Division Class 2 allocation to Kern-Tulare Water District. EA-11-008, *Southern San Joaquin Municipal Utility District Partial Assignment of 5,000 acre-feet of Central Valley Project Water to Kern-Tulare Water District*, was released for public comment on September 9, 2011 and a FONSI completed on January 26, 2012.

Long-term Warren Act Contract and License for Non-CVP Floodwater Reclamation received a request to execute a 25-year Warren Act contract and license with Delta Lands Reclamation District No. 770 to introduce and deliver up to 250,000 AFY of Non-CVP floodwater pumped from the Kings, St John's and Tule Rivers into the Friant-Kern Canal. EA-07-103, *Long-term Warren Act Contract and License for Delta Lands Reclamation District No. 770*, was released for public comment January 13, 2012. A final EA is pending.

Assignment between Saucelito Irrigation District and Teapot Dome Water District Reclamation received a request to approve the assignment of 300 AF of Saucelito Irrigation District's Friant Division Class 1 allocation to Tea Pot Dome Water District. Reclamation is currently preparing an EA for the proposed project.

Assignment between Exeter Irrigation District and Tri-Valley Water District Reclamation received a request to approve the assignment of 400 AF of Exeter Irrigation District's Friant Division Class 1 allocation to Tri-Valley Water District. Reclamation is currently preparing an EA for the proposed project.

Assignment between Porterville Irrigation District and Hills Valley Irrigation District Reclamation received a request to approve the assignment of 1,000 AF of Porterville Irrigation District's Friant Division Class 1 allocation to Hills Valley Irrigation District. Reclamation is currently preparing an EA for the proposed project.

Reclamation's Proposed Action is the approval of the assignment of 250 AF of LCWD's Friant Division Class 1 allocation to HVID. The Proposed Action will not interfere with the projects

listed above, nor will it hinder the normal operations of the CVP and Reclamation's obligation to deliver water to its contractors or to local fish and wildlife habitat. As described previously, the Proposed Action will not impact the San Joaquin River, district or federal facilities or water rights as no additional diversions or changes to distribution facilities are needed to move this water.

The difference between the proposed assignment and what has been provided to HVID annually pursuant to the LCWD's FRP will result in a net gain of 372 AF of Class 1 water available for delivery within LCWD providing increased water supply availability within the district. LCWD has historically transferred similar amounts of its available surface water supply out of the district. The small reduction in surface water will result in less water being transferred out of LCWD and will, therefore, not likely to result in the Proposed Action creating additional groundwater pumping within LCWD. Therefore, no cumulative significant impact to groundwater resources is expected since the Proposed Action will likely have similar results as the No Action Alternative as surface water will be delivered to the same general area for irrigation of existing agricultural lands and groundwater pumping will likely continue to be used as it has in the past.

The addition of 250 AF of Class 1 water to HVID's overall water supply will help increase water supply reliability in HVID. Therefore, the Proposed Action will have cumulatively beneficial impacts to water resources within HVID.

Existing conditions, such as loss of habitat due to urbanization and expanding agricultural lands that cumulatively impact listed species and their habitats, are expected to occur under either alternative. The partial assignment of 250 AF CVP Class 1 water from LCWD to HVID is not expected to contribute cumulatively to habitat loss as this water will be used consistent with current uses. Therefore, there will be no cumulative significant impacts to biological resources as a result of the Proposed Action.

The difference between the proposed assignment and what has been provided to HVID annually pursuant to the LCWD's FRP will result in a net gain of 372 AF of Class 1 water available for delivery within LCWD. In addition, increased water supply reliability within HVID will help support and maintain jobs upon which low-income and disadvantaged populations rely. Therefore, the Proposed Action, when added to other existing and proposed actions, will have a slight beneficial cumulative impact on minority or disadvantaged populations in both districts.

Over the long term, the Proposed Action will facilitate an increase in the reliability of HVID's surface water supply. This will subsequently help to maintain the economic viability of irrigated agriculture within HVID, which presently includes nearly all of its irrigable lands as permanent crops. There is greater economic output associated with permanent crops, which includes a year-round demand for farm labor (as compared to annual crops). When added to other similar existing and proposed actions, the Proposed Action will contribute to beneficial cumulative impacts to socioeconomic resources.

As the Proposed Action will not result in any direct or indirect impacts on land use, cultural resources, Indian Sacred Sites, Indian Trust Assets, air quality, or global climate, it will not contribute cumulatively to impacts on these resources.

RECLAMATION

Managing Water in the West

Final Environmental Assessment/Initial Study

Assignment of 250 acre-feet of Lewis Creek Water District's Central Valley Project Friant Division Class 1 Water to Hills Valley Irrigation District

EA-11-043



**U.S. Department of the Interior
Bureau of Reclamation
Mid Pacific Region
South Central California Area Office
Fresno, California**

**Lewis Creek Water District
209 S. Locust Street
Visalia, California**

September 2012

Mission Statements

The mission of the Department of the Interior is to protect and provide access to our Nation's natural and cultural heritage and honor our trust responsibilities to Indian Tribes and our commitments to island communities.

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

The mission of Lewis Creek Water District is to provide the landowners and water users of its Service Area with a reliable, affordable, and usable water supply.

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Section 1 Introduction

The Bureau of Reclamation (Reclamation) provided the public with an opportunity to comment on the Draft Finding of No Significant Impact (FONSI) and Draft Environmental Assessment (EA) between August 1, 2012 and August 31, 2012. Reclamation received one comment letter from Arvin-Edison Water Storage District. The comment letter and Reclamation's response to comments can be found in Appendix A. Changes from the draft EA that are not minor editorial changes are indicated by vertical lines in the left margin of this document

This EA/Initial Study (IS) was jointly prepared by Reclamation as the federal lead agency to satisfy the requirements of the National Environmental Policy Act (NEPA) and Lewis Creek Water District (LCWD) as the California lead agency to satisfy the requirements California Environmental Quality Act (CEQA).

While CEQA requires that a determination of significant impacts be stated in an IS, NEPA does not require this for an EA. Under NEPA, significance is used to determine whether an Environmental Impact Statement (EIS) is required. An EA is the basis for developing information on which to determine significance, such as the context of the intensity of the impacts, while a separate document, the FONSI, documents when there are no significant impacts. If potentially significant impacts are identified then an EIS must be prepared.

1.1 Background

Hills Valley Irrigation District (HVID) is a South-of-Delta (SOD) Cross Valley Central Valley Project (CVP) contractor with a water service contract (Contract No. 14-06-200-8446A-IR13) for 3,346 acre-feet (AF) with Reclamation from the Sacramento-San Joaquin River Delta (Delta). In addition, HVID is a subcontractor with the County of Tulare, a SOD Cross Valley Contractor, for 2,908 AF of CVP Delta water (Contract No. 14-06-200-8293A-IR13).

LCWD is a Friant Division CVP contractor with a 9(d) Repayment Contract (Contract No. 14-06-200-1911D) with Reclamation for 1,450 AF of Class 1 agricultural supply. Class 1 water is considered as the first 800,000 AF supply of CVP water stored in Millerton Lake, which would be available for delivery from the Friant-Kern Canal (FKC) and/or Madera Canals as a dependable water supply during each Contract Year¹. Class 1 waters are not inclusive of waters released by Reclamation from Friant Dam for environmental and/or other obligations.

LCWD ran into some financial management issues in the 1990's and implemented a Financial Recovery Plan (FRP) in 2002. As part of the FRP, LCWD partnered with HVID, with the approval of Reclamation, to resolve the prior financial and administrative issues. Under the FRP, HVID provides funds to LCWD in exchange for an annual obligation to transfer 622 AF of LCWD's Class 1 allocation to HVID.

¹ A Contract Year is from March 1 of a given year through February 28/29 of the following year.

HVID and LCWD have since requested Reclamation approval for the assignment of 250 AF of LCWD's Class 1 supply to HVID. Approval of the assignment would eliminate LCWD's annual obligation to transfer 622 AF of its' Class 1 supply to HVID.

1.2 Purpose and Need/Project Objectives

California has experienced a severe drought in recent years that has reduced water supplies to many CVP contractors. SOD CVP water service contractors, including Cross Valley contractors, experienced reduced water supply allocations since 2007 due to hydrologic conditions and regulatory requirements. It is likely that SOD CVP contractors will need to supplement supplies in the future to meet demands in many years because of dry years and overall CVP operational constraints. HVID, as a SOD CVP contractor, thus needs to identify additional supplies to avoid shortages for their customers and LCWD needs to find funds to help repay their obligations under their Repayment Contract.

The purpose of the assignment is to provide HVID with an additional source of water to meet existing demands while providing funding to LCWD to repay its Repayment Contract obligations and improve its cash position.

1.3 Reclamation's Legal and Statutory Authorities and Jurisdiction Relevant to the Proposed Federal Action

Several Federal laws, permits, licenses and policy requirements have directed, limited or guided the NEPA analysis and decision-making process of this EA and include the following as amended, updated, and/or superseded (all of which are incorporated by reference):

- *Central Valley Project Improvement Act of 1992, Title 34 (of Public Law 102-575), Section 3408(c)*, Additional Authorities authorizes the Secretary of the Interior to enter into contracts pursuant to Reclamation law and this title with any Federal agency, California water user or water agency, State agency, or private nonprofit organization for the exchange, impoundment, storage, carriage, and delivery of CVP and non-CVP water for domestic, municipal, industrial, fish and wildlife, and any other beneficial purpose, except that nothing in this subsection shall be deemed to supersede the provisions of section 103 of Public Law 99-546 (100 Stat. 3051).
- *Article 32 of the 9(d) Repayment Contracts for Friant Division Contractors* authorizes the Secretary of the Interior to enter into assignment contracts pursuant to Reclamation law.

1.4 Scope/Project Location and Setting

This EA/IS is being prepared to examine the possible environmental impacts of approving the permanent assignment of 250 AF of LCWD's Class 1 allocation to HVID. The assignment would be in perpetuity. This EA/IS has also been prepared to examine the potential impacts of the No Action Alternative.

The districts are located approximately 50 miles from each other in Tulare and Fresno Counties (see Figure 1-1).

1.5 Resources Eliminated from Further Analysis

Reclamation analyzed the affected environment of the Proposed Action and No Action Alternative and has determined that there is no potential for direct, indirect, or cumulative effects to the following resources:

Air Quality

There would be no impacts to air quality under the No Action alternative as conditions would remain the same as existing conditions. Under the Proposed Action, Friant Division Class 1 water would be delivered off the FKC to HVID rather than to LCWD. Delivery of this water would require no modification of existing facilities or construction of new facilities. In addition, water delivery under the Proposed Action would move through the FKC via gravity and electrical pumps as it would under the No Action Alternative. Therefore, a conformity analysis is not required pursuant to the Clean Air Act and there would be no impact to air quality as a result of the Proposed Action.

Cultural Resources

There would be no impacts to cultural resources under the No Action alternative as conditions would remain the same as existing conditions. No new construction or ground disturbing activities would occur as part of the Proposed Action. There would be no change in land or water use, no new infrastructure, modifications of facilities, or ground disturbing activities for movement of this water. No native or untilled land (fallow for three consecutive years or more) would be cultivated with water involved with these actions. The proposed undertaking for Reclamation to approve the assignment of 250 AF of LCWD's Class 1 allocation from Millerton Lake to HVID and the consequent reduction of LCWD's Class 1 allocation has no potential to cause effects to historic properties pursuant to the Section 106 implementing regulations at 36 CFR Part 800.3(a)(1).

Global Climate

Neither the Proposed Action nor the No Action alternative would involve physical changes to the environment or construction activities and, therefore, would not impact global climate change. Global climate change is expected to have some effect on the snow pack of the Sierra Nevada and the runoff regime. Current data are not yet clear on the hydrologic changes and how they will affect the San Joaquin Valley. CVP water allocations are made dependent on hydrologic conditions and environmental requirements. Since Reclamation operations and allocations are flexible, any changes in hydrologic conditions due to global climate change would be addressed within Reclamation's operation flexibility and therefore surface water resource changes due to climate change would be the same with or without either alternative.

Indian Sacred Sites

No impact to Indian Sacred Sites would occur under the No Action alternative as conditions would remain the same as existing conditions. The Proposed Action would not limit access to and ceremonial use of Indian sacred sites on Federal lands by Indian religious practitioners or

significantly adversely affect the physical integrity of such sacred sites. There would be no impacts to Indian Sacred Sites as a result of the Proposed Action.

Indian Trust Assets

No impact to Indian Trust Assets would occur under the No Action alternative as conditions would remain the same as existing conditions. The Proposed Action would not impact Indian Trust Assets as there are none in the Proposed Action area.

Land Use

There would be no impact to land use under the No Action alternative as conditions would remain the same as existing conditions. Under the Proposed Action, neither LCWD nor HVID would change historic land and water management practices. The proposed assignment of LCWD's CVP water would move through existing facilities for delivery to lands within HVID and would be used on existing crops. The water would not be used to place untilled or new lands into production, or to convert undeveloped land to other uses. Therefore, there would be no change to land use as a result of the Proposed Action.

As there would be no impact to the resources listed above as a result of the Proposed Action or the No Action alternative, they will not be considered further.

1.6 Resources Requiring Further Analysis

This EA/IS will analyze the affected environment of the Proposed Action and the No Action Alternative in order to determine the potential direct, indirect, and cumulative impacts to the following resources: Water Resources, Biological Resources, Socioeconomic Resources, Environmental Justice, Aesthetics, Agricultural Resources, Geology and Soils, Hazards and Hazardous Materials, Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, and Utilities and Service Systems.

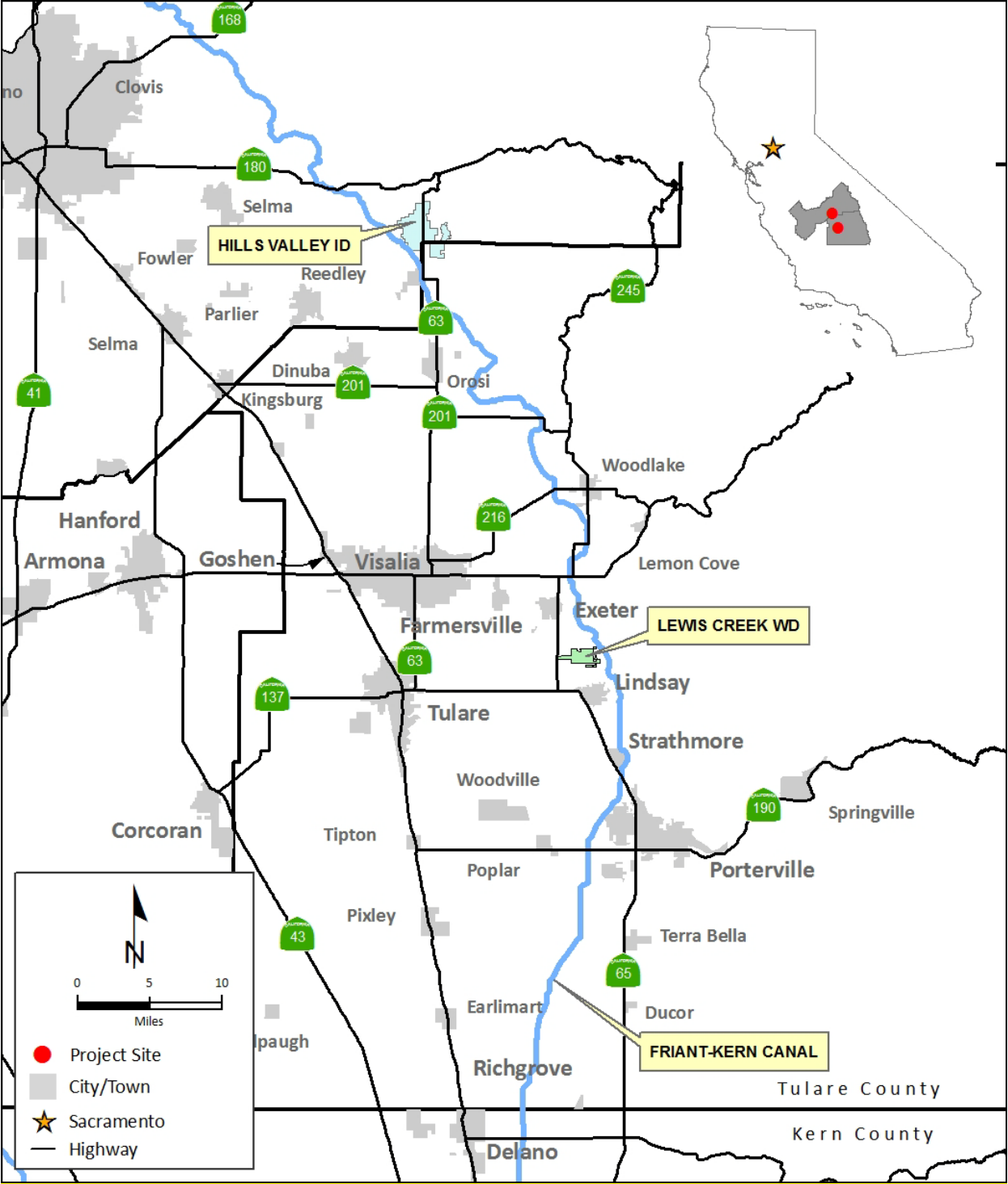


Figure 1-1 Location Map

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Section 2 Alternatives Including the Proposed Action

This EA considers two possible actions: the No Action Alternative and the Proposed Action. The No Action Alternative reflects future conditions without the Proposed Action and serves as a basis of comparison for determining potential effects to the human environment.

2.1 No Action Alternative

Under the No Action Alternative, Reclamation would not approve the assignment of 250 AF of LCWD's Class 1 allocation to HVID. HVID would not receive additional water supplies that would supplement its SOD CVP water supplies. HVID would continue to supplement its reduced supplies by seeking additional annual transfers as it has in the past; however, these transfers can be uncertain and unreliable and would not increase HVID's overall water supply reliability.

LCWD would continue its program of water and financial management including the annual transfers of water under the FRP and would seek other alternative means to finance its 9(d) repayment obligations. Both LCWD and HVID would continue operation and maintenance activities within their service areas as they have in the past.

2.2 Proposed Action

Reclamation proposes to approve the assignment of 250 AF of LCWD's Class 1 allocation from Millerton Lake to HVID and the consequent reduction of LCWD's Class 1 allocation. Pursuant to agreement between HVID and LCWD, approval of the assignment would result in the modification of the FRP by eliminating the annual obligation to transfer 622 AF of LCWD's Class 1 water to HVID.

Delivery of this water to HVID would be done through an existing turnout on the FKC at milepost 41.16. The assigned 250 AF of Class 1 contractual supply would be used to meet HVID's existing in-district demands and other uses consistent with the existing Repayment Contract and Reclamation approvals.

No new infrastructure, modifications of facilities, or ground disturbing activities would be needed for movement of this water. No native or untilled land (fallow for three consecutive years or more) would be cultivated with water involved with these actions.

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Section 3 Affected Environment and Environmental Consequences

This section of the EA/IS includes the NEPA analysis portion of the potentially affected environment and the environmental consequences involved with the Proposed Action and the No Action Alternative.

3.1 Water Resources

3.1.1 Affected Environment

Friant Division

The Friant Division was authorized by Congress under the concept of conjunctive use where the CVP water was meant to be a supplemental supply to alleviate groundwater overdraft in the area. Based on the conjunctive use concept within the Friant Division, contractors are expected to continue mixed use of CVP and other surface water supplies and groundwater, with greater emphasis on groundwater use during dry periods when surface water is limited or expensive and percolate excess surface water in wet years. The Friant Division is an integral part of the CVP, but is hydrologically independent and therefore operated separately from the other divisions of the CVP (Reclamation 2012a). Major facilities of the Friant Division include Friant Dam and Millerton Lake, the Madera Canal and the FKC.

Friant-Kern Canal The FKC serves over 800,000 acres of farmland and communities in four counties. Water for the Friant Division is diverted from the San Joaquin River at Millerton Lake. From there, water is released from the reservoir to the 152-mile long FKC flowing south to its terminus at the Kern River. The FKC is an earthen and concrete-lined structure operated on behalf of Reclamation by the Friant Water Authority (Reclamation 2012a).

Friant Allocations Friant Division allocations averaged 97 percent over a 10 year period for Class 1 water and 10 percent for Class 2 water, and ranged from 65 percent to 100 percent, and 0 percent to 20 percent respectively (Table 3-1).

Table 3-1 Friant Division Allocations 2002 to 2011

Contract Year	Class 1 Allocation (%)	Class 2 Allocation (%)
2011	100	20
2010	100	15
2009	100	15
2008	100	5
2007	65	0
2006	100	10
2005	100	10
2004	100	8
2003	100	5
2002	100	8
Average	97	10

Hills Valley Irrigation District

HVID provides irrigation water to approximately 3,648 irrigable acres of permanent crops in both Fresno and Tulare Counties. At the present time, all of the irrigated lands are permanent plantings, primarily citrus. There are no urban areas within HVID.

Surface water is made available to HVID from the Delta through its CVP SOD Cross Valley contract and subcontract with the County of Tulare, another SOD Cross Valley contractor with Reclamation. HVID currently operates under the thirteenth interim renewal contract. HVID is an original Cross Valley Canal participant executing its original three-party contract in May of 1976. Prior to that contract, HVID began receiving water in October of 1969 when it entered into a short-term water supply contract with Reclamation for water from the Friant Division.

Cross Valley CVP agricultural water supply allocations averaged 58 percent over a 10 year period and ranged from 10 to 100 percent. Because Cross Valley water most often is conveyed in the California Aqueduct and conveyance is subject to capacity being available at Banks Pumping Plant (and Jones Pumping Plant when CVP facilities are used), there are many years that the allocated supply cannot be timely conveyed to HVID. Therefore, HVID has not been able to receive the 58 percent average allocation.

Between 2006 and 2010, HVID's total annual water supplies averaged 4,633 AF (Table 3-1). Their SOD CVP supply averaged 508 AF for the same time period with ranges between zero and 1,305 AF.

Table 3-2 Hills Valley Irrigation District's 2006 to 2010 In-District Water Supplies

Year	CVP Water Supplies (AF)		
	Delta ¹	Section 215	Transfers ²
2010	267	0	5,138
2009	1,305	0	4,550
2008	970	0	4,022
2007	0	82 ³	4,878
2006	0	519 ⁴	4,577
Average	508		4,633

¹Supplies from HVID's CV Contract delivered by exchange or transferred in exchange for Friant supply
²Transfers from Friant Division contractors
³Spill Water
⁴Includes 116 AF of spill water

The water demands of irrigated agriculture within HVID have historically been met by pumping the limited groundwater supply. As noted above, the first surface water supply was introduced in 1969. Between 1970 and 1972, there were only minor amounts of surface water utilized in conjunction with groundwater pumping. From 1973 on, HVID has placed a greater reliance upon surface water supplied to augment the existing groundwater supply. The low yielding wells within HVID are useful as a supplemental irrigation supply and in controlling the buildup of a perched water table in some areas. HVID, therefore, has a very limited conjunctive use capability.

The groundwater conditions within HVID are highly variable. The average depth to groundwater has been approximately 25 feet. This changes drastically from spring to summer and from year to year. The aquifers within HVID are very shallow and are subject to over

pumping in a short time. During the years of heavy rainfall, the wells are serviceable for most of the year with only a reduction in capacity occurring during summer months. During the dry years, surface supplies are needed sooner. Typically, the landowners try to utilize the wells during the spring months when the water levels and groundwater storage are at their highest levels.

HVID does not own or operate any deep well pumping facilities but does operate an agricultural water distribution system that includes two main pumping plants, 11.4 miles of pipeline and three in-District storage facilities with total storage of approximately 23 AF. All water delivered to growers is metered through propeller meters which measure both instantaneous flow and total flow through the meter.

Lewis Creek Water District

LCWD is comprised of approximately 1,235 acres in Tulare County, 1,200 acres of which are considered irrigable. The LCWD is surrounded by other Friant Division, CVP contractors including the Exeter Irrigation District, the Lindmore Irrigation District and the Lindsay-Strathmore Irrigation District. The LCWD delivers water to lands which are in mixture of permanent plantings and seasonal crops, with permanent plantings being the majority. Deliveries are accomplished by gravity through a completely piped distribution system with metered deliveries.

LCWD has a 9(d) Water Service Repayment Contract with Reclamation for 1,450 AF per year of Class 1 water for agricultural purposes. Over its history, LCWD has participated in purchases, exchanges and transfers of additional water in response to its growers' water needs. LCWD has historically used its contract supply. More recently the District has managed its water supply based on the FRP implementation, which has resulted in less surface water being delivered within the District. Between 2006 and 2010, LCWD's total annual water supplies averaged 652 AF (Table 3-3). Their Class 1 supply averaged 1,139 AF.

Table 3-3 Lewis Creek Water District's 2006 to 2010 In-District Water Supplies

Year	CVP Water Supplies (AF)				Total (AF)
	Class 1 ¹	Section 215	Transfers ²	Carryover	
2010	1,646 ³	0	-768	0	878
2009	1,525 ³	0	0	-934	591
2008	535	0	0	-78	457
2007	540	0	12	0	552
2006	1,450	0	-668	0	782 ⁴
Average	1,139	0	-285	-202	652

¹ LCWD allocation less amount transferred to HVID under the FRP.

² Transfers to and from CVP contractors (other than to HVID pursuant to the FRP).

³ Includes prior year carryover water.

⁴ 5 AF undelivered.

LCWD growers do have access to limited groundwater supplies that are supported by the regional importation of surface water. Growers have wells in addition to access to District surface water supplies. The District does not own any recharge basins or groundwater wells. The distribution system begins at a headworks structure with a traveling water screen located at the turnout from the FKC. The distribution system consists of approximately 7.4 miles of 6- to

24-inch asbestos-cement pipeline with appurtenant valves, flow meters and farm delivery turnouts. LCWD has 42 farm delivery turnouts. All of the turnouts are metered.

Groundwater Resources

LCWD and HVID are located within the Tule and Kings Subbasins, respectively, of the San Joaquin Valley Groundwater Basin (California Department of Water Resources 2003). Groundwater generally flows through the San Joaquin Valley Groundwater Basin from east to west (Faunt 2009). General groundwater flow in the vicinity of LCWD and HVID is shown in Figure 3-1.

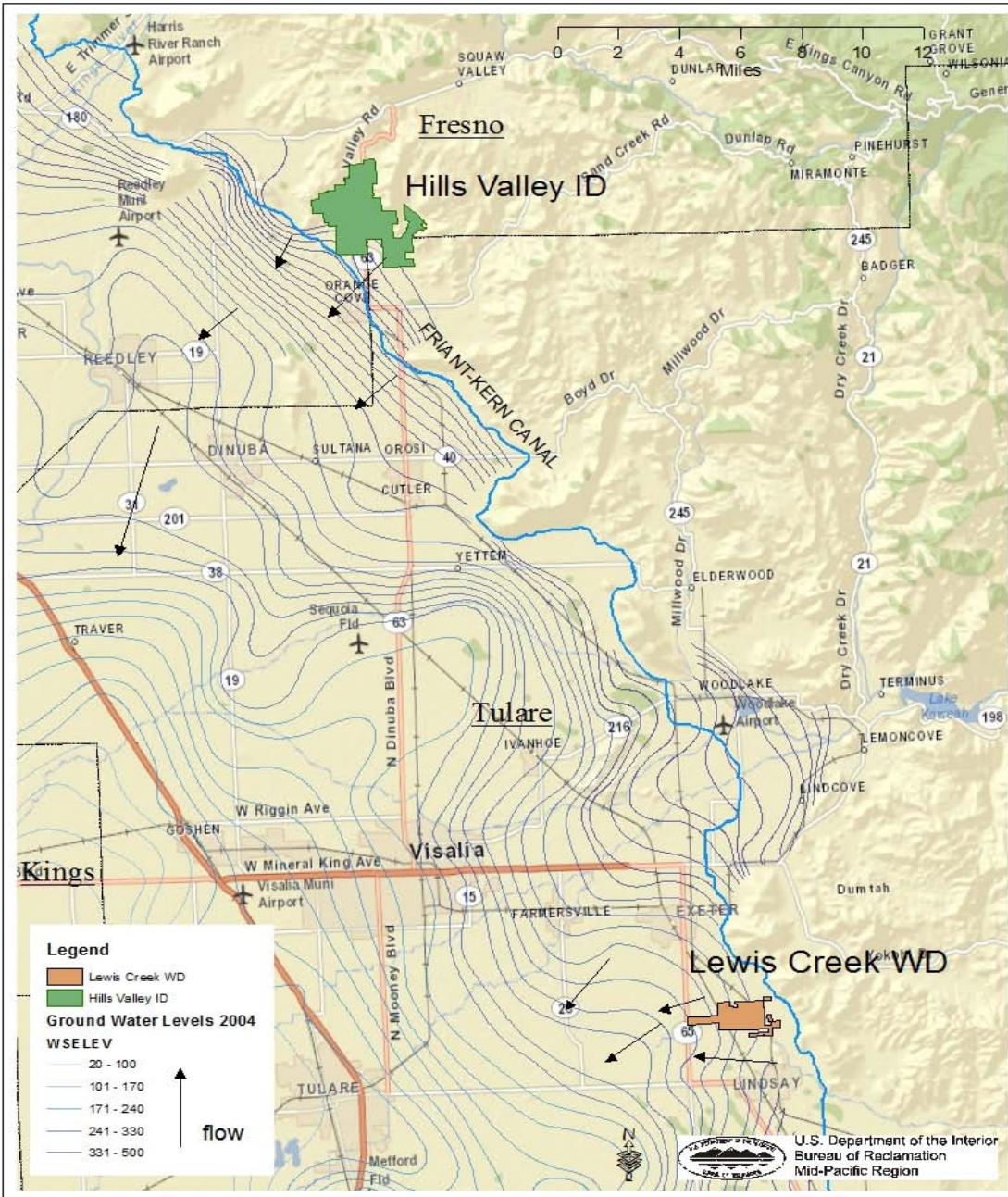


Figure 3-1 Groundwater flows from unconfined aquifers within the Proposed Action area

Groundwater overdraft and the potential resulting land subsidence are prevalent in the southern two-thirds of the Central Valley. Currently all basins in this region are in overdraft conditions (California Department of Water Resources 2003). During drought, as surface supplies dwindle and carryover storage in reservoirs is not replaced, groundwater pumping increases. Between 1970 and 1993, the total mean annual groundwater extraction within this area was 4.6 million AF (California Department of Water Resources 2003). An annual total average of 0.44 million AF (9.5) percent was used to meet urban needs and 4.2 million AF (90.5 percent) was used for agriculture. The total mean annual overdraft during this period was nearly 0.8 million AF (California Department of Water Resources 2003).

3.1.2 Environmental Consequences

No Action

Under the No Action Alternative, Reclamation would not approve the assignment of 250 AF of LCWD's Class 1 water supply to HVID. LCWD would continue to provide 622 AF of its Class 1 water supply to HVID pursuant to the FRP. Remaining CVP water would continue to be used in LCWD as it has in the past. HVID would continue to receive their existing CVP water supplies dependent upon hydrologic conditions and operational constraints as it has in the past. Any additional water supply needs within HVID would need to be met from other sources, such as purchasing water supplies. Delta restrictions would likely result in pumping and conveyance constraints, which could lead to a decline in the amount of Cross Valley CVP contract supply available to be delivered to HVID. Diversions from the Delta are also subject to the availability (and cost) of exchange opportunities, which are also anticipated to result in a decline of supplies actually being made available within HVID from this source. LCWD and HVID would continue operation and maintenance activities within their service areas as they have in the past.

Proposed Action

The Proposed Action is the assignment of an existing CVP Class 1 allocation from a Friant Division CVP contractor to another CVP contractor located within the Friant Division service area. No additional diversions are being generated or needed for the assignment. No modifications of existing facilities are required for the movement of this water from LCWD to HVID. Therefore, there would be no impact to the San Joaquin River, district and federal facilities or water rights as a result of the Proposed Action.

The proposed assignment of 250 AF of LCWD's Class 1 water supply is 17 percent of its total Class 1 water supply; however, as a result of the assignment, LCWD would recover control of the difference between the previously committed 622 AF of supply dedicated to HVID annually pursuant to the FRP and the 250 proposed for assignment. This difference would result in a net gain of 372 AF of Class 1 water available for delivery within LCWD providing increased water supply availability within the district.

The addition of 250 AF of Class 1 water to HVID's overall water supply would help increase water supply reliability in HVID. Therefore, the Proposed Action would have beneficial impacts to water resources within HVID.

Incidental recharge of the underlying groundwater from use of imported surface water for irrigation would be similar to existing conditions. The movement of water to or from LCWD to

neighboring areas of shared groundwater resources would not change substantially as the amount of water being assigned (250 AF) is small in comparison to the overall amount of water imported into the region and the history of LCWD participating in transfers and exchanges that resulted in water movement to other areas of the Friant service area, particularly after adoption of the FRP.

Cumulative Impacts

Cumulative impacts result from incremental impacts of the Proposed Action or No Action alternative when added to other past, present, and reasonably foreseeable future actions.

Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time. Significance exists if it is reasonable to anticipate a cumulatively significant impact on the environment. To determine whether cumulatively significant impacts are anticipated from the Proposed Action or the No Action alternative, the incremental effect of both alternatives were examined together with impacts from past, present, and reasonably foreseeable future actions in the same geographic area.

As in the past, hydrological conditions and other factors are likely to result in fluctuating water supplies which drives requests for water service actions. Water districts aim to provide water to their customers based on available water supplies and timing, all while attempting to minimize costs. Farmers irrigate and grow crops based on these conditions and factors, and a myriad of water service actions are approved and executed each year to facilitate water needs. Each water service transaction involving Reclamation undergoes environmental review prior to approval.

Existing or foreseeable projects, in addition to the proposed assignment between LCWD and HVID, which could affect or could be affected by the Proposed Action or No Action alternative, include the following:

Accelerated Water Transfer Program The Central Valley Project Improvement Act (CVPIA) was signed into law in 1992 to mandate changes in management of the CVP. In addition to protecting, restoring, and enhancing fish and wildlife, one of the other purposes of the CVPIA is to increase water-related benefits provided by the CVP to the State of California through expanded use of voluntary water transfers and improved water conservation. To assist California urban areas, agricultural water users, and others in meeting their future water needs, Section 3405(a) of the CVPIA authorizes all individuals or districts who receive CVP water under water service or repayment contracts, water rights settlement contracts or exchange contracts to transfer, subject to certain terms and conditions, all or a portion of the water subject to such contract to any other California water users or water agency, State or Federal agency, Indian Tribe, or private non-profit organization for project purposes or any purpose recognized as beneficial under applicable State law.

After enactment of the CVPIA, Reclamation has historically acknowledged water transfers and/or exchanges between CVP contractors geographically situated within the same region and who are provided water service through the same CVP facilities under an Accelerated Water Transfer Program (AWTP). In 2011, Reclamation approved the continuation of the Friant Division/Cross Valley AWTP through February 29, 2016. Reclamation prepared EA-10-052, *Accelerated Water Transfer Program for Friant Division and Cross Valley Central Valley Project Contractors, 2011-2015* and a FONSI was signed on February 11, 2011 (Reclamation 2011a).

San Joaquin River Restoration Program The San Joaquin River Restoration Program (SJRRP) is a long-term effort to restore flows to the San Joaquin River from Friant Dam to the confluence of Merced River in order to meet the two goals established in the Settlement. In 2007, Reclamation released a notice of intent to prepare a programmatic EIS/Environmental Impact Report (EIR) in the Federal Register. The draft programmatic EIS/EIR was released for a 60 public review on April 22, 2011 (Reclamation 2011b). A final programmatic EIS/EIR is pending.

As an initial action to guide implementation of the SJRRP, the Settlement requires that Reclamation modify releases from Friant Dam from October 1 to September 30 for a program of interim flows in order to collect pertinent scientific data and to implement a monitoring program. Environmental effects for the release of interim flows from Friant Dam down the San Joaquin River were addressed in a FONSI and EA/IS entitled *Water Year 2010 Interim Flows Project* (Reclamation 2010). Supplemental EAs and FONSIs for continuation of interim flows were also completed for Water Years 2011 and 2012 (October 1, 2011 through September 30, 2013). Full restoration flows are scheduled to start no later than January 1, 2014.

In order to reduce or avoid adverse water supply impacts to all of the Friant Division long-term contractors that may result from the interim flows, Reclamation developed plans for recirculation, recapture, reuse, and exchange or transfer of interim flows. An EA that analyzed the impacts of recirculation of interim flows entitled *Recirculation of Recaptured Water Year 2012 San Joaquin River Restoration Program Interim Flows* was released for public comment on February 7, 2012 and a FONSI completed on April 3, 2012 (Reclamation 2012b).

Assignment between Southern San Joaquin Municipal Utility District and Kern-Tulare Water District Reclamation received a request to approve the assignment of 5,000 AF of Southern San Joaquin Municipal Utility District's Friant Division Class 2 allocation to Kern-Tulare Water District. EA-11-008, *Southern San Joaquin Municipal Utility District Partial Assignment of 5,000 acre-feet of Central Valley Project Water to Kern-Tulare Water District*, was released for public comment on September 9, 2011 and a FONSI completed on January 26, 2012 (Reclamation 2012c).

Long-term Warren Act Contract and License for Non-CVP Floodwater Reclamation received a request to execute a 25-year Warren Act contract and license with Delta Lands Reclamation District No. 770 to introduce and deliver up to 250,000 AFY of Non-CVP floodwater pumped from the Kings, St John's and Tule Rivers into the Friant-Kern Canal. EA-07-103, *Long-term Warren Act Contract and License for Delta Lands Reclamation District No. 770*, was released for public comment January 13, 2012 (Reclamation 2012d). A final EA is pending.

Assignment between Saucelito Irrigation District and Teapot Dome Water District Reclamation received a request to approve the assignment of 300 AF of Saucelito Irrigation District's Friant Division Class 1 allocation to Tea Pot Dome Water District. Reclamation is currently preparing an EA for the proposed project.

Assignment between Exeter Irrigation District and Tri-Valley Water District Reclamation received a request to approve the assignment of 400 AF of Exeter Irrigation District's Friant Division Class 1 allocation to Tri-Valley Water District. Reclamation is currently preparing an EA for the proposed project.

Assignment between Porterville Irrigation District and Hills Valley Irrigation District Reclamation received a request to approve the assignment of 1,000 AF of Porterville Irrigation District's Friant Division Class 1 allocation to Hills Valley Irrigation District. Reclamation is currently preparing an EA for the proposed project.

Reclamation's Proposed Action is the approval of the assignment of 250 AF of LCWD's Friant Division Class 1 allocation to HVID. The Proposed Action would not interfere with the projects listed above, nor would it hinder the normal operations of the CVP and Reclamation's obligation to deliver water to its contractors or to local fish and wildlife habitat. As described previously, the Proposed Action would not impact the San Joaquin River, district or federal facilities or water rights as no additional diversions or changes to distribution facilities are needed to move this water.

The difference between the proposed assignment and what has been provided to HVID annually pursuant to the LCWD's FRP would result in a net gain of 372 AF of Class 1 water available for delivery within LCWD providing increased water supply availability within the district. LCWD has historically transferred similar amounts of its available surface water supply out of the district. The small reduction in surface water would result in less water being transferred out of LCWD and would, therefore, not likely to result in the Proposed Action creating additional groundwater pumping within LCWD. Therefore, no cumulative impact to groundwater resources is expected since the Proposed Action would likely have similar results as the No Action Alternative as surface water would be delivered to the same general area for irrigation of existing agricultural lands and groundwater pumping would likely continue to be used as it has in the past.

The addition of 250 AF of Class 1 water to HVID's overall water supply would help increase water supply reliability in HVID. Therefore, the Proposed Action would have cumulatively beneficial impacts to water resources within HVID.

3.2 Biological Resources

3.2.1 Affected Environment

Reclamation requested an official species list from the U.S. Fish and Wildlife Service (USFWS) on June 15, 2012 via the Sacramento Field Office's website:

http://www.fws.gov/sacramento/ES_Species/Lists/es_species_lists-form.cfm (Document Number 120615123157). The list is for the following 7 ½ minute U.S. Geological Survey quadrangles, which overlapped HVID and LCWD: Lindsay, Cairns Corner, Rocky Hill, and Orange Cove North quadrangles. Reclamation further queried the California Natural Diversity Database (CNDDB) for records of protected species in the vicinity of the service areas (CNDDB 2012). The two lists, in addition to the type of action and other information within Reclamation's files, were combined to create the following list (Table 3-4).

Table 3-4 Federal Protected Species with Potential to be Present

Species	Status ¹	Effects ²	Summary basis for ESA determination ³
AMPHIBIANS			
California red-legged frog (<i>Rana draytonii</i>)	T	NE	Absent. Species absent from vicinity of the project area and habitat absent. No ground disturbing activities; no other land use changes would occur.
California tiger salamander, central population (<i>Ambystoma californiense</i>)	T, X	NE	Possible. There is a report ⁴ for this species recorded in 1973 at the northwest border of HVID and critical habitat present. Agricultural lands do not provide suitable habitat, and Primary Constituent Elements absent. No vernal pool habitat or other suitable wetland habitat in the Facility footprint. No construction of new facilities; no conversion of lands from existing uses.
mountain yellow-legged frog (<i>Rana muscosa</i>)	C	NE	Absent. Species absent from vicinity of the project area and habitat absent. No ground disturbing activities; no other land use changes would occur.
BIRDS			
California condor (<i>Gymnogyps californianus</i>)	E	NE	Absent. Species absent from valley floor. No ground disturbing activities; no other land use changes would occur.
FISH			
Delta smelt (<i>Hypomesus transpacificus</i>)	T	NE	Absent. No stream habitat present in project area. No disturbance to waters inhabited by this species
INVERTEBRATES			
Valley elderberry longhorn beetle (<i>Desmocerus californicus dimorphus</i>)	T	NE	Absent. No suitable habitat in the project area and no elderberry shrubs would be disturbed.
Vernal pool fairy shrimp (<i>Branchinecta lynchi</i>)	T	NE	Possible. There are nearby reports south of HVID. No ground disturbing activities; no other land use changes would occur. No vernal pool habitat would be disturbed.
vernal pool tadpole shrimp (<i>Lepidurus packardii</i>)	E	NE	Possible. This species is reported from the Sand Creek Conservation Bank, just over a mile south of HVID. However, no construction of new facilities; no conversion of lands from existing uses. No vernal pool habitat would be disturbed.
MAMMALS			
San Joaquin kit fox (<i>Vulpes macrotis mutica</i>)	E	NE	Possible. No reports in either service area, however there are within a 10-mile radius; the most recent from 1992. No construction of new facilities; no conversion of lands from existing use. No suitable habitat affected.
Tipton kangaroo rat (<i>Dipodomys nitratoideus nitratoideus</i>)	E	NE	Absent. Suitable habitat absent. No ground disturbing activities; no other land use changes would occur.
PLANTS			
San Joaquin adobe sunburst (<i>Pseudobia piersonii</i>)	T	NE	Absent. No ground disturbing activities; no other land use changes would occur.
San Joaquin Valley Orcutt grass (<i>Orcuttia inaequalis</i>)	T	NE	Absent. Suitable habitat absent. No ground disturbing activities; no other land use changes would occur.
REPTILES			
Blunt-nosed leopard lizard (<i>Gambelia sila</i>)	E	NE	Absent. Suitable habitat absent. No ground disturbing activities; no other land use changes would occur.
Giant garter snake (<i>Thamnophis gigas</i>)	T	NE	Absent. Suitable habitat absent. No ground disturbing activities; no other land use changes would occur.

Species	Status ¹	Effects ²	Summary basis for ESA determination ³
<p>1 Status= Listing of Federally protected species under the Endangered Species Act C: Candidate proposed for Listing. E: Listed as Endangered T: Listed as Threatened X: Critical Habitat designated for this species</p> <p>2 Effects = Endangered Species Act Effect determination NE: No Effect</p> <p>3 Definition Of Occurrence Indicators Present: Species and habitat recorded in area Possible: Species recorded in or near service area but actively cultivated lands provides poor quality habitat Absent: Species not recorded in study area and/or habitat requirements not met</p> <p>4 Report= as per the California Natural Diversity Database 2012</p>			

Land use within HVID and LCWD is actively cultivated agricultural lands (Figure 3-2) and offers limited habitat value to wildlife (Table 3-4). Of the 14 special-status species identified in Table 3-4, only four protected species have the potential to occur in the Project area: California tiger salamander (*Ambystoma californiense*), vernal pool fairy shrimp (*Branchinecta lynchi*), vernal pool tadpole shrimp (*Lepidurus packardii*), and San Joaquin kit fox (*Vulpes macrotis mutica*). In addition, the service area boundaries fall within designated critical habitat for California tiger salamander.

California tiger salamanders California tiger salamander, central population was federally listed as Threatened in August 2004 (USFWS 2004). California tiger salamander are found in the Central Valley and adjacent foothills, and prefer open grassland habitat (Storer 1925), usually within 1 mile of water (Trenham et al. 2001). They are restricted to grasslands, oak savannahs, and coastal scrub communities of lowlands and foothill regions where aquatic sites are available for breeding. Habitat loss and fragmentation from urban and agricultural development, land conversion, and other human-caused factors are the primary causes for decline of California tiger salamander populations.

There is a report from 1973 of California tiger salamander within the northern border of HVID (element occurrence index 28386; CNDDDB 2012). However, surrounding habitat has been actively cultivated farm land by 2000 (CDC 2000).

California tiger salamanders designated Critical Habitat The USFWS designated critical habitat for California tiger salamander central population on August 23 2005 (USFWS 2005). Approximately 150 acres of designated California tiger salamander critical habitat (Unit 3a, Hills Valley Unit, Southern San Joaquin Region) falls within HVID (USFWS 2005). Primary constituent elements (PCE) for critical habitat specific to California tiger salamander contain the following features essential for the conservation of the species: suitable aquatic habitat (PCE 1), upland habitat (PCE 2), dispersal between aquatic and upland areas (PCE 3) (USFWS 2005). This Unit contains all PCEs and represents the Southern Sierra Foothills vernal pool region and the southeastern portion of the species' distribution within the San Joaquin Valley.

Agricultural lands were included as designated critical habitat if they were directly adjacent to known extant occurrences and considered essential for upland refugia or connectivity between occurrences and were not considered a barrier to movement. This type of habitat is evident within the border of CTS designated critical habitat within the HVID service area. Unit 3a, of

the Southern San Joaquin region, in HVID has been identified as agricultural lands since 2000 and has not changed in over 10 years (CDC 2000, 2011, Reclamation 2009).

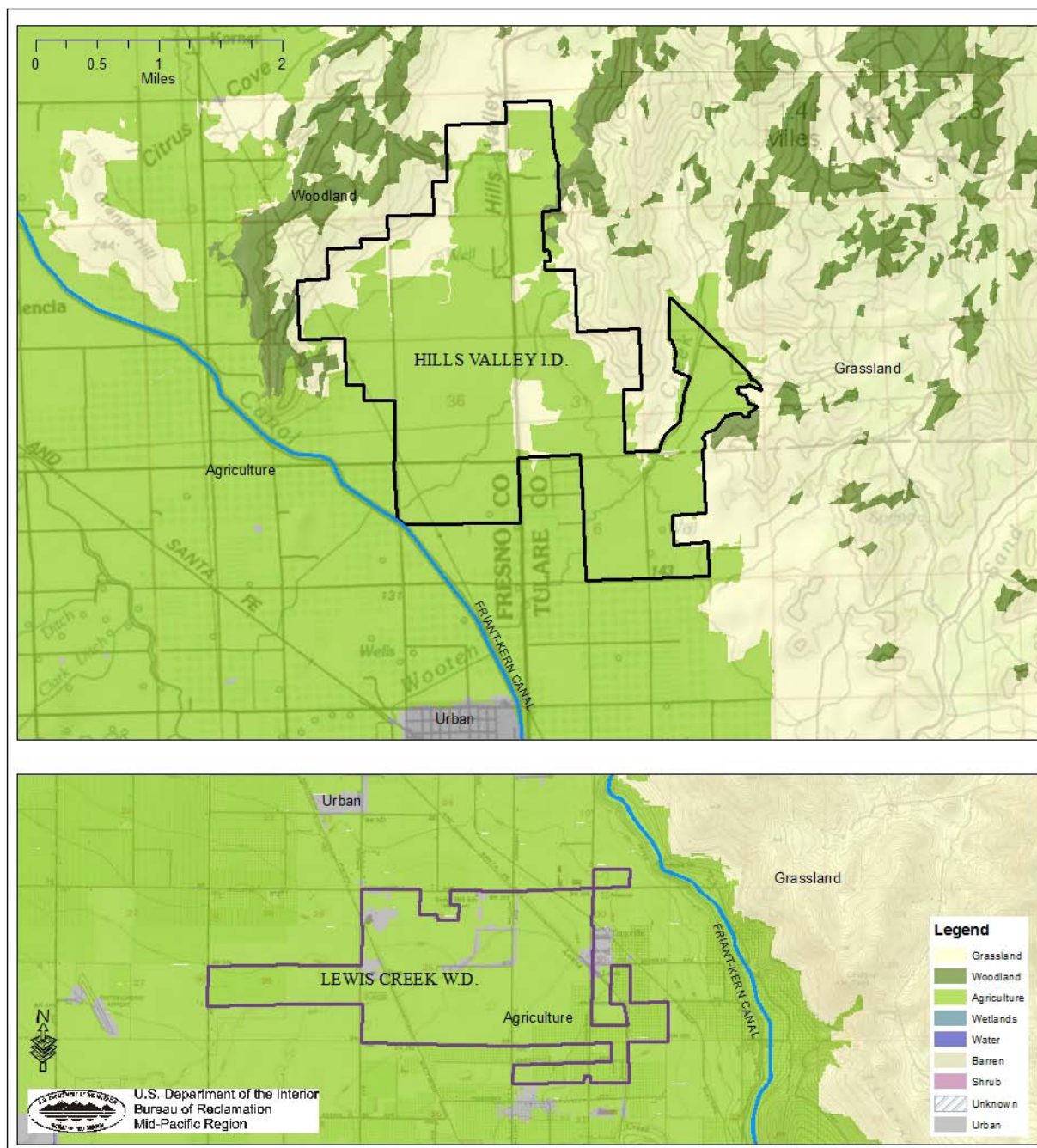


Figure 3-2 Land Use within the Proposed Action Area

Vernal pool fairy shrimp The vernal pool fairy shrimp was listed as federally threatened in September 1994 (USFWS 1994). Occurrences of vernal pool crustaceans are restricted to vernal pools/swales (Eng et al. 1990, Helm 1998). The vernal pool fairy shrimp occupies a variety of different vernal pool habitats, from small, clear, sandstone rock pools to large, turbid, alkaline, grassland valley floor pools. Although the species has been collected from large vernal pools,

including one exceeding 25 acres, it tends to occur in smaller pools measuring less than 0.05 acre (Gallagher 1996, Helm 1998). There are reports of vernal pool fairy shrimp south of HVID service boundary (element occurrence index 64378 and 73199; CNDDDB 2012). Conversion and modification of vernal pool habitat contribute to the decline of this species.

Vernal pool tadpole shrimp The vernal pool tadpole shrimp was listed as federally threatened in September 1994 (USFWS 1994). Occurrences of vernal pool crustaceans are restricted to vernal pools/swales and ephemeral freshwater areas (Eng et al. 1990, Helm 1998). This species commonly occupies grass-bottomed swales of grasslands in old alluvial soils underlain by hardpan or in mud bottomed pools containing highly turbid water. There are reports of vernal pool tadpole shrimp south of HVID service boundary (element occurrence index 67386; CNDDDB 2012). Conversion and modification of vernal pool habitat contribute to the decline of this species.

San Joaquin kit fox San Joaquin kit fox was federally listed as an endangered species (USFWS 1967). Their diet varies based on prey availability, and includes small to mid-sized mammals, ground-nesting birds, and insects. Kit foxes excavate their own dens, or use other animals, and human-made structures (culverts, abandoned pipelines, and banks in sumps or roadbeds). Primary reasons for the species decline include loss and degradation of habitat (USFWS 1998).

There are reported sightings within a 10-mile radius of both service areas, the most recent of these records was from 1992 (CNDDDB 2012). Orchards may support rodent and insect prey species if the grounds are not managed; however, denning potential is typically low and kit foxes can be more susceptible to predation by coyotes within the orchards (Nelson et al. 2007, Warrick et al. 2007). In addition, agricultural practices such as cultivation, irrigation, and chemical treatments result in elevated disturbances within this area, thus limiting denning opportunities and food availability for San Joaquin kit fox.

3.2.2 Environmental Consequences

No Action

Under the No Action Alternative, Reclamation would not approve the partial assignment of 250 AF of LCWD's Class 1 allocation to HVID. Contractor operations would continue unchanged; HVID would continue to receive 622 AF of LCWD's Class 1 allocation pursuant to LCWD's FRP. Both districts would continue operation and maintenance activities within their service area as they have in the past. The No Action Alternative would neither hinder nor enhance populations of special status species or their habitats.

Proposed Action

Under the Proposed Action, water would be conveyed in existing facilities to established agricultural lands only. The Proposed Action would not modify designated critical habitat for California tiger salamander (i.e., Unit 3a) within which the service areas are located, nor would the Proposed Action preclude or reduce this critical habitat's role in the conservation and recovery of the species. No new facilities would be required to bring the water to these locations, and no native or untilled lands would be brought into production by the Proposed Action.

Reclamation has determined that the Proposed Action would have no effect on Federally listed or proposed to be listed threatened or endangered species, designated critical habitat, or proposed critical habitat. The Proposed Action would not affect migratory birds, imperiled species, unique habitats, or species and habitats protected by federal or state law. No Essential Fish Habitat exists in the authorized Place of Use within the bounds of the agencies. The Proposed Action could not affect Essential Fish Habitat.

Cumulative Impacts

Existing conditions, such as loss of habitat due to urbanization and expanding agricultural lands that cumulatively impact listed species and their habitats, are expected to occur under either alternative. The partial assignment of 250 AF CVP Class 1 water from LCWD to HVID is not expected to contribute cumulatively to habitat loss as this water would be used consistent with current uses. Therefore, there would be no cumulative adverse impacts to biological resources as a result of the Proposed Action.

3.3 Environmental Justice

Environmental justice refers to the fair treatment of peoples of all races, income levels, and cultures with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. Fair treatment implies that no person or group of people should shoulder a disproportionate share of negative impacts resulting from the execution of Federal programs. Executive Order 12898 (February 11, 1994) mandates Federal agencies to identify and address disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority and low-income populations.

3.3.1 Affected Environment

LCWD is located within Tulare County and HVID is located within Fresno and Tulare counties. Fresno and Tulare counties rely to a large extent, either directly or indirectly, on agriculture for employment. Between 49.3 and 58.3 percent of the population within Fresno and Tulare counties is of Hispanic or Latino origin, which compares to about one-third for the state as a whole (Table 3-5). The market for seasonal workers on local farms also draws thousands of migrant workers, commonly of Hispanic origin from Mexico and Central America, increasing populations within these small communities during peak harvest periods.

Table 3-5 Fresno County and Tulare County 2009 Estimated Demographics

	Total Population	White (not Hispanic)	Black or African American	American Indian	Asian	Native Hawaiian/ Pacific Islander	Hispanic
Fresno County	915,267	36.4%	5.8%	2.0%	9.0%	0.2%	49.3%
Tulare County	429,668	35.0%	2.1%	1.9%	3.6%	0.2%	58.3%
California	36,961,664	41.7%	6.6%	1.2%	12.7%	0.4%	37%
Source: U.S. Census Bureau 2012							

3.3.2 Environmental Consequences

No Action

Under the No Action Alternative, HVID may be required to purchase additional water sources. The cost of water on the open market is likely to be higher than the assigned Class 1 water supplies which would potentially impact disadvantaged or minority populations due to economic impacts to the agricultural industry and current unmet water demands. Also, LCWD would be required to find alternative ways to finance the repayment of their capital obligations associated with their Repayment Contract which would likely have an interest charge associated with it and thus would increase water costs to the District's growers and would potentially impact disadvantaged or minority populations due to consequent economic impacts to the agricultural local industry.

Proposed Action

The Proposed Action would not cause dislocation, changes in employment, or increased flood, drought, or disease, nor would it disproportionately impact economically disadvantaged or minority populations. The Proposed Action may support and maintain jobs that low-income and disadvantaged populations rely upon through increased irrigation water supply reliability. Since the assigned water is a small percentage of the overall water supplies available to LCWD and because LCWD has historically transferred similar amounts of water out of the district, the assignment is not likely to result in any economic uncertainty that would affect agricultural employment within LCWD. The Proposed Action may support and maintain jobs in HVID that low-income and disadvantaged populations rely upon through increased irrigation water supply reliability. Therefore, there may be a beneficial impact to minority or disadvantaged populations in LCWD and HVID as a result of the Proposed Action.

Cumulative Impacts

There would be no cumulative impacts to low-income and disadvantaged populations under the No Action alternative as conditions would remain the same as existing conditions. The difference between the proposed assignment and what has been provided to HVID annually pursuant to the LCWD's FRP would result in a net gain of 372 AF of Class 1 water available for delivery within LCWD. In addition, increased water supply reliability within HVID would help support and maintain jobs upon which low-income and disadvantaged populations rely. Therefore, the Proposed Action, when added to other existing and proposed actions, would have a slight beneficial cumulative impact on minority or disadvantaged populations in both districts.

3.4 Socioeconomic Resources

3.4.1 Affected Environment

The agricultural industry significantly contributes to the overall economic stability of the San Joaquin Valley. Agriculture and its related industries are the third largest industry within Fresno County and the first largest industry in Tulare County (U.S. Census Bureau 2012). In 2010, Fresno County's unemployment rate of 15.7 percent and Tulare County's unemployment rate of 10.4 percent both exceeded the state average of 7.9 percent (California Employment Development Department 2012). Additionally, the number of families in both Fresno and Tulare

Counties below the poverty line was nearly double the state's average (U.S. Census Bureau 2012).

3.4.2 Environmental Consequences

No Action

Under the No Action Alternative, HVID may be required to purchase additional water sources. The cost of water on the open market is likely to be much higher than the assigned Class 1 water supplies which would increase operational costs for HVID. LCWD would be required to find alternative ways to finance the repayment of their capital obligations associated with their Repayment Contract which would likely have an interest charge associated with it and thus would increase water costs to the District's growers.

Proposed Action

The assignment of 250 AF of LCWD's Class 1 allocation to HVID would reduce the potential need for HVID to purchase additional water supplies at a much higher rate on the open market. The availability of this additional supplemental water supply would have beneficial impacts on socioeconomic resources with HVID as this water would be used to help sustain existing crops. Since the assigned water is a small percentage of the overall water supplies available to LCWD and because LCWD has historically transferred similar amounts of water out of the district, the assignment is not likely to result in any economic uncertainty that would affect agricultural employment within LCWD. Therefore, there would be positive impacts to socioeconomics within both districts as a result of the Proposed Action.

Cumulative Impacts

There may be adverse cumulative impacts to socioeconomic resources in HVID under the No Action Alternative as HVID may need to purchase more costly water supplies in order to meet irrigation demand. Similarly, the economic conditions within LCWD may be adversely affected by the No Action Alternative as LCWD may need to find alternative, and more expensive, means to finance their repayment obligations under their CVP Repayment Contract.

Over the long term, the Proposed Action would facilitate an increase in the reliability of HVID's surface water supply. This would subsequently help to maintain the economic viability of irrigated agriculture within HVID, which presently includes nearly all of its irrigable lands as permanent crops. There is greater economic output associated with permanent crops, which includes a year-round demand for farm labor (as compared to annual crops). When added to other similar existing and proposed actions, the Proposed Action would contribute to beneficial cumulative impacts to socioeconomic resources.

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Section 4 CEQA Environmental Factors Potentially Affected

This section of the EA/IS includes additional analysis required by CEQA. Reference to the “project” in this section is synonymous with the term, “Proposed Action”, used in other sections. LCWD and HVID will also consider and rely upon the comprehensive analysis contained in Section 3 for purposes of considering environmental impacts of the Project as required by CEQA. This section summarizes the conclusions supporting the determinations made by LCWD, as lead agency.

4.1 Discussion of Potentially Affected Environmental Factors

The Project is the assignment from LCWD to HVID of 250 AF pursuant to LCWD’s Class 1 Friant Division, CVP water supply contract. When Class 1 water is made available, HVID would receive and divert this water through an existing turnout on the FKC, as it currently does for other transfer and exchange water. This water would be used for direct in-district deliveries to its growers, as a supplemental supply to be used in-lieu of groundwater pumping. The Project involves no construction or alterations to the environment; rather, it only involves a change in the delivery point of the water supply and service area in which the water would be put to use.

This water represents 17 percent of LCWD’s CVP contract entitlement. However, given the conditions needed to rectify the District’s financial condition and the consequent prescribed transfer of the District’s Class 1 water to HVID under the FRP, this assignment would result in a net increase in water available to LCWD growers over current conditions.

The following is a discussion of each of the environmental factors potentially affected.

4.1.1 Aesthetics

The Project area is developed to production agriculture, which dominates the aesthetics of the surrounding area. Since this water supply represents only a relatively small volume of water to either LCWD or HVID, no new lands would be planted in HVID, and conversely, no new lands would be taken out of production in LCWD. There would be no impacts to any scenic vista or scenic resource, nor would it create a new source of light or glare. There would be no impacts to aesthetics as a result of this Project.

4.1.2 Agricultural Resources

As described in Section 4.1.1, no farmland would be converted to non-agricultural use as a result of the Project. No lands would be taken out of production in LCWD, as this water represents only 17 percent of its Class 1 supply, which is less than the amount of water historically transferred by LCWD. No forest lands exist within the Project Area. Additionally, existing zoning would not be changed, and Williamson Act contracts would not be affected. As such, there would be no impact to agricultural resources as a result of this Project.

4.1.3 Air Quality

The climate of the San Joaquin Valley is characterized by long, hot summers and stagnant, foggy, winters. Precipitation is low and temperature inversions are common. These characteristics are conducive to the formation and retention of air pollutants. These characteristics are in part influenced by the surrounding mountains which intercept precipitation and also act as a barrier to the passage of cold air and air pollutants.

The proposed Project lies within the San Joaquin Valley Unified Air Basin, which is managed by the San Joaquin Valley Air Pollution Control District (SJVAPCD or Air District). National Ambient Air Quality Standards (NAAQS) and California Ambient Air Quality Standards (CAAQS) have been established for the following criteria pollutants: carbon monoxide (CO), ozone (O₃), sulfur dioxide (SO₂), nitrogen dioxide (NO₂), particulate matter (PM₁₀ and PM_{2.5}), and lead (Pb). The CAAQS also set standards for sulfates, hydrogen sulfide, and visibility. Air quality plans or attainment plans are used to bring the applicable air basin into attainment with all state and federal ambient air quality standards designed to protect the health and safety of residents within that air basin. Areas are classified under the Federal Clean Air Act as either “attainment”, “non-attainment”, or “extreme non-attainment” areas for each criteria pollutant based on whether the NAAQS have been achieved or not. Attainment relative to the State standards is determined by the California Air Resources Board (CARB). The San Joaquin Valley is designated as a State and Federal extreme non-attainment area for O₃, a State and Federal non-attainment area for PM_{2.5}, a State non-attainment area for PM₁₀, and Federal and State attainment area for CO, SO₂, NO₂, and Pb (SJVAPCD 2012).

As the Project includes delivering water through existing facilities, no construction is associated with project implementation. There would be no impact to air quality plans or standards, nor would project contribute to the emission of criteria pollutants. As such, there would be no impact to sensitive receptors, nor would the project create objectionable odors.

4.1.4 Biological Resources

Section 3.2 above analyzes federally protected species with potential to be present in the Project Area as summarized in Table 3-4 therein. Table 4-1 below identifies federal and state listed species as well as California Native Plant Society (CNPS) listed species and birds protected under the Migratory Bird Treaty Act (MTBA). A list of State-listed and special status species of concern relevant to CEQA was generated in June, 2012 using the California Department of Fish and Game’s CNDDDB RareFind2 data (May 2012) for the following USGS 7 ½ minute quadrangles: Lindsay, Cairns Corner, Rocky Hill and Orange Cove North. Since the identified State listed species are also subject to federal protection, the potential presence of and effects on each of these species was already analyzed within Section 3.2. Therefore, the following table summarizes the listing information only. There are four plant species with federal, state, or California Native Plant Society (CNPS) listed status, and eleven species of wildlife that are federally or state-listed or have other special status that are reported from historical information as shown in Table 4-1.

Table 4-1 Federal and State-Listed Status

<u>Species</u>	<u>Status</u> ¹	<u>CPNS Ranks</u> ²
AMPHIBIANS		
California red-legged frog (<i>Rana draytonii</i>)	FT/CSC	N/A
California tiger salamander (<i>Ambystoma californiense</i>)	FT/ST/CSC	N/A
BIRDS		
California condor (<i>Gymnogyps californicus</i>)	FE/SE	N/A
FISH		
Delta smelt (<i>Hypomesus transpacificus</i>)	FT/SE	N/A
INVERTEBRATES		
Valley elderberry longhorn beetle (<i>Desmocerus californicus dimorphus</i>)	FT	N/A
Vernal pool fairy shrimp (<i>Branchinecta lynchi</i>)	FT	N/A
vernal pool tadpole shrimp (<i>Lepidurus packardii</i>)	FE	N/A
MAMMALS		
San Joaquin kit fox (<i>Vulpes macrotis mutica</i>)	FE/ST	N/A
Tipton kangaroo rat (<i>Dipodomys nitratooides nitratooides</i>)	FE/SE	N/A
PLANTS		
San Joaquin adobe sunburst (<i>Pseudobia piersonii</i>)	FT/SE	1B.1
San Joaquin Valley Orcutt grass (<i>Orcuttia inaequalis</i>)	FT/SE	1B.1
spiny-sepaed button-celery (<i>Eryngium spinosepalum</i>)	None	1B.2
striped adobe-lily (<i>Fritillaria striata</i>)	ST	1B.1
REPTILES		
Blunt-nosed leopard lizard (<i>Gambelia sila</i>)	FE/SE	N/A
Giant garter snake (<i>Thamnophis gigas</i>)	FT/ST	N/A
Source: CNDDB (5/2012) 1 Listing Status FE: Federally listed as Endangered FT: Federally listed as Threatened SE: State listed as Endangered ST: State listed as Threatened CSC: California Special Concern species by California Department of Fish and Game 2 CPNS (California Native Plant Society)Ranks List 1B: Plants considered by the CNPS to be rare, threatened, or endangered in California and elsewhere List 2: Plants considered by the CNPS to be rare, threatened, or endangered in California but more common elsewhere		

As analyzed within Section 3.2 above, there would be no impact to listed species that may occur in the Project area because all but four of the species are absent from the Project area and no construction, conversion of farmland, or change in land use would occur as a result of the Project.

4.1.5 Cultural Resources

The Project does not involve any construction activities that would alter a historical, archaeological or paleontological resource, or disturb any human remains. There would be no impact to Cultural Resources as a result of this Project.

4.1.6 Geology and Soils

No substantial faults are known to exist in the Fresno County and Tulare County portions of the Project according to the Alquist-Priolo Earthquake Fault Zoning Map (CDC 2010). As this Project does not involve the construction of new facilities, the risk to people or structures by earthquake, ground shaking, ground failure, liquefaction or landslides is negligible. As discussed in Section 4.1.1, no land conversion that could result in soil erosion or loss of topsoil would occur. The Project does not include a construction component that would result in increased soil erosion or loss of topsoil, result in soil instability, or be located on expansive soil. There would be no impact to this resource category as a result of this Project.

4.1.7 Greenhouse Gas Emissions

Pumping related to existing Reclamation, LCWD, and HVID water delivery operations may contribute to cumulative climate change impacts. However, delivery of water pursuant to the assignment would not significantly change the existing cumulative pumping operations of Reclamation, LCWD or HVID. Therefore, the proposed assignment is not expected to produce additional greenhouse gases that could contribute to global climate change.

4.1.8 Hazards and Hazardous Materials

The Project does not involve the generation of any hazardous emissions or involve the transport, use, storage, or disposal of any hazardous materials. The proposed Project would not create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

The Project does not involve the disturbance of land that is listed as a hazardous materials site pursuant to Government Code Section 65962.5 and is not included on a list compiled by the Department of Toxic Substances Control (California Department of Toxic Substances Control 2011). There would be no impact to this resource category as a result of this Project.

4.1.9 Hydrology and Water Quality

The water made available to HVID as a result of the Project would be delivered through existing facilities and would not alter the existing drainage pattern in the area, create runoff, or otherwise degrade water quality. As described in Section 3, the Proposed Action is not expected to have an adverse impact on LCWD's total water supply and would have a positive effect on HVID's total water supply. The conditions of the underlying groundwater basin would likely not change. Thus, there would be no impact to this resource category as a result of this Project.

4.1.10 Land Use and Planning

The proposed Project would not cause fallowing or land use changes within HVID or LCWD, nor would it involve any construction activities. Therefore, this Project would not physically divide any established communities.

4.1.11 Mineral Resources

The Project does not involve construction or land alteration that would have the potential to impact the availability of any mineral resources or mineral resource recovery sites. There would be no impact to mineral resources as a result of this Project.

4.1.12 Noise

The facilities used to make the water deliveries as a result of this Project are already in place and in use. No additional noise or vibration would be generated as a result of this Project. There would be no impact to this resource category as a result of this Project.

4.1.13 Population and Housing

HVID is purchasing the assigned water in order to ensure water supply reliability to support existing agricultural uses and maintain the existing economic viability/agricultural employment within HVID. HVID is an irrigation water supplier and does not deliver water for municipal and industrial uses. Therefore, the assignment would not result in additional population or urban growth. The Project does not include any features that would require the destruction or relocation of existing housing or the construction of replacement housing, and would not increase or decrease the number of available dwelling units in the area. The Project would not displace any people. The Project would have no effect on population growth. There would be no impact to this resource category as a result of this Project.

4.1.14 Public Services

The Project does not include any features or facilities that would require additional or unusual fire protection resources, enhanced levels of police protection, nor does it have the potential to increase or decrease the area's population, and would therefore not result in a greater or lesser demand for schools or parks. There would be no impact to this resource category as a result of this Project.

4.1.15 Recreation

The Project does not have the potential to increase or decrease the area's population, and would therefore not result in increased or decreased use of parks or other recreational facilities. Additionally, the Project does not include recreational facilities and would not require the construction or expansion of any recreational facilities. There would be no impact to this resource category as a result of this Project.

4.1.16 Transportation/Traffic

The Project does not involve construction or land alteration that would have the potential to impact transportation, create additional traffic, or affect any established emergency access routes. There would be no increase in aircraft transportation as a result of the Project. Additionally, the Project would not conflict with any adopted transportation management plan. There would be no impact to this resource category as a result of this Project.

4.1.17 Utilities and Service Systems

LCWD and HVID do not operate, benefit from, or contribute to water treatment or wastewater treatment facilities. Therefore, the Project would not result in a change to facilities or operations at existing wastewater treatment facilities, or water treatment facilities. Further, Reclamation would make the assigned water available to HVID through the same Reclamation facilities currently used to make the water available to LCWD. HVID has sufficient capacity to deliver the assigned project water within its existing delivery systems. The amount of runoff at the Project area would not change as a result of this Project nor would implementation of the Project generate any solid waste. There would be no impact to this resource category as a result of this Project.

4.2 Mandatory Findings of Significance

The analysis conducted in this EA/IS results in a determination that the Project would have no significant effect on the local environment. The Project would involve no potential for significant impacts through the degradation of the quality of the environments, the reduction in the habitat or population of fish or wildlife, including endangered plants or animals, the elimination of a plant or animal community or example of a major period of California history or prehistory. As indicated within the analysis for each impact area within Section 3 and supplemented above in Section 4.1, the Project would not contribute to any cumulatively considerable impacts to the environment. The Project would not result in substantial adverse effects on human beings, either directly or indirectly.

Refer to Appendix B for the signature page and proposed adoption of a Negative Declaration.

Section 5 Consultation and Coordination

Several Federal laws, permits, licenses and policy requirements have directed, limited or guided the NEPA analysis and decision making process of this EA/IS.

5.1 Public Review Period

Reclamation provided the public with an opportunity to comment on the Draft FONSI and Draft EA between August 1, 2012 and August 31, 2012. Reclamation received one comment letter from Arvin-Edison Water Storage District. The comment letter and Reclamation's response to comments can be found in Appendix A.

LCWD provided the public with an opportunity to comment on the draft EA/IS and proposed Negative Declaration as required by CEQA and its implementing Guidelines. No comments were received. A Notice of Determination was filed by LCWD and HVID with Tulare County on September 18, 2012 (Appendix D).

5.2 Fish and Wildlife Coordination Act (16 U.S.C. § 661 et seq.)

The Fish and Wildlife Coordination Act (FWCA) requires that Reclamation consult with fish and wildlife agencies (federal and state) on all water development projects that could affect biological resources. The amendments enacted in 1946 require consultation with the Service and State fish and wildlife agencies "whenever the waters of any stream or other body of water are proposed or authorized to be impounded, diverted, the channel deepened, or the stream or other body of water otherwise controlled or modified for any purpose whatever, including navigation and drainage, by any department or agency of the United States, or by any public or private agency under Federal permit or license". Consultation is to be undertaken for the purpose of "preventing the loss of and damage to wildlife resources".

The Proposed Action does not involve any new impoundment or diversion of waters, channel deepening, or other control or modification of a stream or body of water as described in the statute, but the partial assignment of existing CVP supplies to an existing CVP contractor. In addition, no construction or modification of water conveyance facilities are required for movement of this water. Consequently, Reclamation has determined that FWCA does not apply.

5.3 Endangered Species Act (16 U.S.C. § 1531 et seq.)

Section 7 of the Endangered Species Act requires Federal agencies, in consultation with the Secretary of the Interior and/or Commerce, to ensure that their actions do not jeopardize the continued existence of endangered or threatened species, or result in the destruction or adverse modification of the critical habitat of these species.

The Proposed Action would support existing uses and conditions. No native lands would be converted or cultivated with CVP water. The water would be delivered to existing agricultural

lands, through existing facilities, as has been done in the past, and would not be used for land conversion. The Proposed Action would not construct new facilities or modify any designated critical habitat from existing land used. No species listed or proposed to be listed as endangered or threatened would be affected. Based on the above factors, Reclamation has made a determination of no-effect for the Proposed Action under the Endangered Species Act for all species expected to be within the action area.

5.4 National Historic Preservation Act (16 U.S.C. § 470 et seq.)

The National Historic Preservation Act of 1966 (NHPA), as amended (16 U.S.C. 470 et seq.), requires that federal agencies give the Advisory Council on Historic Preservation an opportunity to comment on the effects of an undertaking on historic properties, properties that are eligible for inclusion in the National Register of Historic Places. The 36 CFR Part 800 regulations implement Section 106 of the NHPA.

Section 106 of the NHPA requires federal agencies to consider the effects of federal undertakings on historic properties, properties determined eligible for inclusion in the National Register. Compliance with Section 106 follows a series of steps that are designed to identify interested parties, determine the Area of Potential Effect, conduct cultural resource inventories, determine if historic properties are present within the Area of Potential Effect, and assess effects on any identified historic properties.

Reclamation has determined that the Proposed Action has no potential to cause effects to historic properties pursuant to the Section 106 implementing regulations at 36 CFR Part 800.3(a)(1).

5.5 Migratory Bird Treaty Act (16 U.S.C. § 703 et seq.)

The MBTA implements various treaties and conventions between the United States and Canada, Japan, Mexico and the former Soviet Union for the protection of migratory birds. Unless permitted by regulations, the Act provides that it is unlawful to pursue, hunt, take, capture or kill; attempt to take, capture or kill; possess, offer to or sell, barter, purchase, deliver or cause to be shipped, exported, imported, transported, carried or received any migratory bird, part, nest, egg or product, manufactured or not. Subject to limitations in the Act, the Secretary of the Interior may adopt regulations determining the extent to which, if at all, hunting, taking, capturing, killing, possessing, selling, purchasing, shipping, transporting or exporting of any migratory bird, part, nest or egg will be allowed, having regard for temperature zones, distribution, abundance, economic value, breeding habits and migratory flight patterns.

The Proposed Action would not change the land use patterns of cultivated or fallowed fields that do have some value to listed species or birds protected under the MBTA; therefore, the Proposed Action would have no effect on birds protected by the MBTA.

Section 6 List of Preparers and Reviewers

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Section 7 Acronyms and Abbreviations

AF	Acre-feet
Air District	San Joaquin Valley Air Pollution Control District
AWTP	Accelerated Water Transfer Program
CAAQS	California Ambient Air Quality Standards
CARB	California Air Resources Board
CEQA	California Environmental Quality Act
CNDDDB	California Native Diversity Database
CNPS	California Native Plant Society
CO	Carbon monoxide
CVP	Central Valley Project
CVPIA	Central Valley Project Improvement Act
Delta	Sacramento-San Joaquin River Delta
EA	Environmental Assessment
EIR	Environmental Impact Report
EIS	Environmental Impact Statement
FKC	Friant-Kern Canal
FONSI	Finding of No Significant Impact
FRP	Financial Recovery Plan
FWCA	Fish and Wildlife Coordination Act
HVID	Hills Valley Irrigation District
IS	Initial Study
LCWD	Lewis Creek Water District
MBTA	Migratory Bird Treaty Act
NAAQS	National Ambient Air Quality Standards
NEPA	National Environmental Policy Act
NHPA	National Historic Preservation Act
NO ₂	Nitrogen dioxide
O ₃	Ozone
Pb	Lead
PCE	Primary Constituent Element
Reclamation	Bureau of Reclamation
SJRRP	San Joaquin River Restoration Program
SJVAPCD	San Joaquin Valley Air Pollution Control District
SO ₂	Sulfur dioxide
SOD	South-of-Delta
USFWS	U.S. Fish and Wildlife Service

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FINAL ENVIRONMENTAL ASSESSMENT (11-043)

*ASSIGNMENT OF 250ACRE-FEET OF LEWIS CREEK WATER DISTRICT'S CENTRAL
VALLEY PROJECT FRIANT DIVISION CLASS 1 WATER TO HILLS VALLEY
IRRIGATION DISTRICT*

Appendix A

Comment Letter and Reclamation's Response to Comments

September 2012

Response to Arvin-Edison Water Storage District Comment Letter, August 27, 2012

AEWSD-1 Hills Valley Irrigation District (HVID), Saucelito Irrigation District (SID), and Tri-Valley Water District (TVWD) have taken delivery of Section 215 water only when Reclamation has determined that Section 215 contract supplies were available to them as either Cross Valley contractors (HVID and TVWD) or long-term Friant Division contractors (SID). HVID took delivery of 519 acre-feet (AF) of Section 215 water in 2006 and 83 AF of Section 215 water in 2007. HVID has not taken delivery of Section 215 water between 2008 and 2012. SID took delivery of 1,871 AF of Section 215 water in 2006 and 3,659 AF of Section 215 water in 2010. SID did not take any delivery of Section 215 water in 2007 through 2009 or between 2011 and 2012. TVWD took delivery of 30 AF of Section 215 water only in 2006.

Reclamation has evaluated and determined that the capability of HVID, SID, and TVWD to take delivery of the Section 215 water supply would not create adverse impacts on other long-term Friant Division CVP contractors. HVID, SID, and TVWD will still have the capability to enter into arrangements to take delivery of water in excess of their historical deliveries. Reclamation has not identified any impacts on existing long-term Friant Division CVP contractors brought about by this proposed assignments that would be adverse to these contractors.

The total assignment of CVP water to HVID is 1,250 AF, to SID is 300 AF, and to TVWD is 400 AF. During uncontrolled season, these contractors would only be able to take up to their respective assigned contract amounts. Should they want any additional Friant Division CVP supplies, these contractors would need to enter into transfer agreements with other long-term Friant Division contractors in order to supplement their available supplies or, in the case of SID, they could use their Friant Division long-term contract supply, all which have been done historically.

AEWSD-2 Reclamation has evaluated and determined that the capability of SID to take delivery of the assigned water supply would not create adverse impacts on other long-term Friant Division CVP contractors beyond that which currently exists. SID would be taking assignment of a portion of the Tea Pot Dome Water District (TPDWD) water supply and would be subject to identical terms and conditions that TPDWD is subject to. SID would not be gaining any rights beyond those which are currently available to TPDWD, including capacity availability to specific points of diversion.

As noted by AEWSD, this comment does not apply to the assignment to HVID from Lewis Creek Water District (LCWD), to HVID from Porterville Irrigation District (PID), or to the assignment to TVWD from Exeter Irrigation District (EID).

AEWSD-3 Reclamation has evaluated and determined that the capability of HVID, SID, and TVWD to take delivery of the assigned water supply would not create adverse impacts on other long-term Friant Division CVP contractors beyond that which currently exists. HVID, SID, and TVWD would be taking assignment of a portion of the LCWD, PID, and EID's water supply and would be subject to identical terms and conditions that LCWD, PID, and EID are subject to. HVID, SID, and TVWD would not be gaining any rights beyond those which are currently available to LCWD, PID, and EID, including capacity availability to specific points of diversion.

FINAL ENVIRONMENTAL ASSESSMENT (11-043)

*ASSIGNMENT OF 250ACRE-FEET OF LEWIS CREEK WATER DISTRICT'S CENTRAL
VALLEY PROJECT FRIANT DIVISION CLASS 1 WATER TO HILLS VALLEY
IRRIGATION DISTRICT*

Appendix B
Draft Contract

September 2012

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Friant Division, Central Valley Project, California

AGREEMENT FOR PARTIAL ASSIGNMENT OF
LEWIS CREEK WATER DISTRICT
WATER SERVICE AND FACILITIES
REPAYMENT CONTRACT TO
HILLS VALLEY IRRIGATION DISTRICT

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1 UNITED STATES
2 DEPARTMENT OF THE INTERIOR
3 BUREAU OF RECLAMATION
4 Friant Division, Central Valley Project, California

5 AGREEMENT FOR PARTIAL ASSIGNMENT OF
6 LEWIS CREEK WATER DISTRICT
7 WATER SERVICE AND FACILITIES
8 REPAYMENT CONTRACT TO
9 HILLS VALLEY IRRIGATION DISTRICT

10 THIS AGREEMENT, made this ____ day of _____, 2012, is
11 entered into by and among the UNITED STATES OF AMERICA, hereinafter referred to as the
12 “United States”, through the United States Bureau of Reclamation (“Reclamation”); Lewis Creek
13 Water District, hereinafter referred to as “Lewis Creek”, and Hills Valley Irrigation District,
14 hereinafter referred to as “Hills Valley”, both public agencies of the State of California, duly
15 organized, existing, and acting pursuant to the laws thereof, with its principal place of business in
16 California. Lewis Creek, Hills Valley, and Reclamation may sometimes be collectively referred
17 to herein as the “Parties” and individually as a “Party”.

18 WITNESSETH, That:

19 EXPLANATORY RECITALS

20 A. On February 19, 1965, the United States and Lewis Creek entered into Contract
21 No. 14-06-200-1911A, as amended, providing for the annual delivery to Lewis Creek of up to
22 1,450 acre-feet of Class 1 water from the Friant Division of the Central Valley Project (Project)
23 through February 28, 1995.

24 B. The United States and Lewis Creek entered into a series of interim renewal
25 contracts, identified as Contract Nos. 14-06-200-1911A-IR1, IR2, IR3, and IR4, which provided
26 for the continued water service to Lewis Creek from March 1, 1995 through February 28, 2005.

27 C. Subsequently, the United States and Lewis Creek entered into a long-term
28 renewal contract identified as Contract No. 14-06-200-1911A-LTR1, which provided for
29 continued water service to Lewis Creek through February 28, 2026, which was amended January
30 18, 2007.

31 D. On December 29, 2010, the United States and Lewis Creek entered into
32 Repayment Contract No. 14-06-200-1911D, providing for continued water service and facilities
33 repayment. Hereinafter, Lewis Creek's Repayment Contract, as it may be modified from time to
34 time in accordance with law, and as supplemented herein, will be referred to as the "Existing
35 Contract".

36 E. On January 24, 2011, Lewis Creek remitted to the United States \$297,861.37,
37 representing payment in full of the Repayment Obligation, as that term is used in the Existing
38 Contract. With the payment of the Repayment Obligation and in accordance with subdivision
39 (b) of Article 2 of the Existing Contract, Exhibit E, attached to the Existing Contract, became the
40 entire agreement between Lewis Creek and Reclamation and the tiered pricing component and
41 the acreage limitations, reporting, and full cost pricing provisions of the Reclamation Reform
42 Act of 1982 were no longer applicable to Lewis Creek.

43 F. On May 11, 1976, the United States, the Department of Water Resources, and
44 Hills Valley entered into Contract No. 14-06-200-8466A, as amended, providing for the annual
45 delivery to Hills Valley of up to 3,346 acre-feet of Project Water from the Project through
46 February 29, 1996.

47 G. The United States, the Department of Water Resources, and Hills Valley
48 subsequently entered into a series of interim renewal contracts identified as Contract

Nos. 14-06-200-8466A-IR1 through IR14, which provide for continued water service to Hills Valley through February 28, 2014.

H. Lewis Creek has requested that Reclamation approve a partial assignment of the Existing Contract to Hills Valley to provide an additional source of Project Water, as that term is used in the Existing Contract, hereinafter referred to as “Project Water”, to Hills Valley.

I. Article 32 of the Existing Contract provides for assignment of the Existing Contract, or any interest therein, with the written approval of the Contracting Officer acting on behalf of the United States.

J. Lewis Creek intends to hereby assign a portion of the Existing Contract to Hills Valley in exchange for monetary consideration. Lewis Creek and Hills Valley now wish to secure Reclamation’s approval of the assignment of a portion of the Project Water referenced in the Existing Contract to Hills Valley.

K. Upon the effective date of this Agreement, Lewis Creek’s partial assignment to Hills Valley will be final and Hills Valley will accept and be fully responsible for all rights and obligations of a Contractor, as that term is used under the Existing Contract, with respect to Two Hundred Fifty (250) acre-feet of Class 1 Project Water (hereinafter referred to as the “Assigned Project Water”).

N. Lewis Creek and Hills Valley will comply with all applicable Federal, state and local laws, rules and ordinances that apply to this Agreement.

O. The Parties to this Agreement each have complied with all environmental and other laws applicable to their respective approval and implementation of this Agreement,

including but not limited to, the National Environmental Policy Act, the California Environmental Quality Act, Reclamation Law, and the Federal Endangered Species Act.

IT IS THEREFORE AGREED AMONG THE PARTIES:

TERMS AND CONDITIONS

1. (a) Upon the effective date of this Agreement, the assignment to Hills Valley of Lewis Creek's rights to the Assigned Project Water will be complete and Hills Valley acknowledges and accepts the obligation to pay its proportionate share of the Additional Capital Obligation, as that term is used in the Existing Contract. Hills Valley will, commencing on the effective date of this Agreement, assume all rights, duties, and interests of a Contractor, as that term is used in the Existing Contract, as they apply to the Assigned Project Water, separately from Lewis Creek. Hills Valley accepts all obligations, terms and conditions with respect to the Existing Contract applicable to the Contractor, as that term is used under the Existing Contract, as they apply to the Assigned Project Water. This Agreement shall not constitute an amendment or modification of the terms, conditions, obligations, and duties in the Existing Contract.

(b) Reclamation's approval of this Agreement shall not constitute a release by Reclamation of Lewis Creek from any of its duties and obligations under the Existing Contract as to all Project Water other than the Assigned Project Water. Reclamation will consider Hills Valley separately from Lewis Creek as a Contractor, as that term is used under the Existing Contract, and as to those quantities assigned hereby will hold Hills Valley responsible for compliance with the terms and conditions of the Existing Contract in connection within the Assigned Project Water.

91 PAYMENT OF EXISTING OPERATION AND MAINTENANCE DEFICITS

92 2. (a) Prior to the effective date of this Agreement, Lewis Creek shall have paid
93 in full to the United States any operation and maintenance deficit that may be owed by Lewis
94 Creek to the United States as a result of the previous delivery of the Assigned Project Water to
95 Lewis Creek pursuant to the Existing Contract.

96 (b) Reclamation acknowledges and agrees that, upon the satisfaction of
97 subdivision (a) above, no operation and maintenance deficit is owed by Lewis Creek to the
98 United States as a result of the delivery of the Project Water as of September 30, 2010.
99 However, if Reclamation determines there is any additional amount owed or at any time needs to
100 make an adjustment to its past water contractor accountings, resulting in an amount that is
101 outstanding or overpaid as a result of delivery of Project Water to Lewis Creek, including
102 Restoration Fund charges, such amount or adjustment shall be owed by Lewis Creek if
103 outstanding, or credited or refunded to Lewis Creek if overpaid.

104 CONTRACTOR SERVICE AREA AND POINTS OF DIVERSION

105 3. Consistent with the Existing Contract, on or after the effective date of this
106 Agreement, the Assigned Project Water will be delivered to Hills Valley's service area as shown
107 on Exhibit A attached to this Agreement. Hills Valley will divert the Assigned Project Water
108 from existing points of diversion located on the Friant-Kern Canal, or other points approved in
109 writing by Reclamation.

110 RESERVATION OF INTEREST

111 4. (a) Upon full execution of this Agreement, Hills Valley shall be the
112 Contractor under the Existing Contract as to the Assigned Project Water, and Lewis Creek shall

continue to be the Contractor under the Existing Contract for all Project Water other than the Assigned Project Water.

(b) Any breach or default by Hills Valley of any obligation with respect to the Assigned Project Water shall not affect the rights, duties, obligations, and interests of the Lewis Creek with respect to the Existing Contract, and shall not constitute a breach or default of Lewis Creek with respect to the balance of Project Water under the Existing Contract.

(c) In the event of termination of this Agreement, Lewis Creek hereby retains a right of reverter, as described below in this subdivision, to all of the Contractor's rights and obligations under the Existing Contract to the full contractual quantities set forth in Article 3 of the Existing Contract. The Parties agree that in the event that this Agreement is terminated and provided that any curable breaches by Hills Valley, as determined by the Contracting Officer, existing at the time of termination of this Agreement are cured within a reasonable time by Lewis Creek, then Lewis Creek's rights and obligations related to all contract quantities specified in Article 3 of the Existing Contract shall fully revert to Lewis Creek. Hills Valley's rights and obligations related to the Assigned Project Water as established by this Agreement shall terminate, as of the date of such reversion.

WATER RATES AND CHARGES

5. The Assigned Project Water shall be subject to the applicable Rates and Charges as shown in Exhibit B, attached to this Agreement, which shall be subject to annual adjustment as provided in subdivision (c) of Article 7 in the Existing Contract, and crediting determined annually in accordance with Federal law, associated regulations and the then-existing Central Valley Project Ratesetting policies. Hills Valley shall submit to Reclamation water delivery

schedules as required by the Existing Contract, as may be amended. Upon the effective date of this Agreement, all historic, present, and future costs and credits accrued under the Existing Contract, that relates to the Assigned Project Water, will be recognized and established under separate financial accountings for Hills Valley.

RECOVERED WATER ACCOUNT

6. On the effective date of this Agreement, Hills Valley will be entitled to a proportionate share of any subsequent Recovered Water Account credits made available by the United States pursuant to the Existing Contract. The manner in which the Recovered Water Account will be administered will be developed in accordance with subdivision (k) of Article 7 of the Existing Contract, the San Joaquin River Restoration Settlement Act, and Paragraph 16 of the Stipulation of Settlement.

FRIANT SURCHARGE REDUCTION
CALCULATIONS – EXHIBITS C-1 AND C-2

7. Hills Valley's applicable reduction of the Friant Surcharge and other values, as set forth in subdivision (c) of Article 7 in the Existing Contract, are reflected in Exhibit C-1 attached to this Agreement. Lewis Creek's applicable reduction of the Friant Surcharge and other values, as set forth in subdivision (c) of Article 7 in the Existing Contract, are reflected in Exhibit C-2 attached to this Agreement.

APPLICABILITY OF THE RECLAMATION REFORM ACT OF 1982

8. The acreage limitations, reporting, and Full Cost pricing provisions of the Reclamation Reform Act of 1982 (96 Stat. 1293), hereinafter referred to as "RRA", shall no longer apply to lands in Hills Valley's Service Area with respect to the Assigned Project Water

pursuant to this Agreement. Hills Valley is currently subject to the acreage limitations, reporting, and Full-Cost pricing provisions of the RRA, through separate contracts, other than this Agreement. The terms and conditions in such other contracts shall continue to apply, and if such terms and conditions so require, the lands to receive Project Water under such other contracts shall be properly designated by Hills Valley and such Project Water is to be delivered in accordance with the RRA including any applicable acreage limitations, reporting, and Full Cost pricing provisions.

TERMINATION CLAUSE

9. This Agreement shall become effective on the date referenced in Article 14 and shall continue so long as Hills Valley is complying with the terms and conditions of the Existing Contract, making the annual payments required and paying any other amounts owing under the Existing Contract, this Agreement and applicable law, as they apply to the Assigned Project Water, unless it is terminated by the Contracting Officer by reason of a material uncured breach by Hills Valley; *Provided*, That the Contracting Officer shall not seek to terminate this Agreement by reason of an asserted material uncured breach by Hills Valley unless it has first provided at least sixty (60) days written notice of the asserted breach to Hills Valley and Hills Valley has failed to cure such breach (or to diligently commence curative actions satisfactory to the Contracting Officer for a breach that cannot be fully cured within sixty (60) days) within the sixty (60) day notice period; *Provided further*, That this Agreement may be terminated at any time by mutual consent of the Parties hereto. If this Agreement is terminated pursuant to this Article 9, the provisions of subdivision (c) of Article 4 shall apply.

178 UNITED STATES APPROVAL

179 10. The United States hereby approves this Agreement, accepts the assignment
180 contemplated hereby and accepts Hills Valley as a Contractor, as that term is used in the Existing
181 Contract, and finds that no further action by the United States is necessary to put this Agreement
182 into effect.

183 AGREEMENT DRAFTING CONSIDERATION

184 11. Articles 1 through 10 and 14 of this Agreement have been drafted, negotiated, and
185 reviewed by the Parties hereto, each of whom is sophisticated in the matters to which this
186 Agreement pertains, and no one Party shall be considered to have drafted the stated articles.

187 ASSIGNMENT LIMITED – SUCCESSORS AND ASSIGNS OBLIGATED

188 12. The provisions of this contract shall apply to and bind the successors and assigns
189 of the Parties hereto, but no assignment or transfer of this contract or any right or interest therein
190 by either party shall be valid until approved in writing by the other party.

191 NOTICES

192 13. Any notice, demand, or request authorized or required by this contract shall be
193 deemed to have been given, on behalf of Hills Valley and Lewis Creek, when mailed, postage
194 prepaid, or delivered to the Area Manager, South-Central California Area Office, Bureau of
195 Reclamation, 1243 “N” Street, Fresno, California 93721, and on behalf of the United States,
196 when mailed, postage prepaid, or delivered to the Board of Directors of Hills Valley, 5001
197 California Avenue, Suite 202, Bakersfield, California 93309 and the Board of Directors of Lewis
198 Creek, Post Office Box 279, Delano, California 93216. The designation of the addressee or the
199 address may be changed by notice given in the same manner as provided in this article for other
200 notices.

201 EFFECTIVE DATE

202 14. The effective date of this Agreement shall be October 1, 2012; *Provided*, it is
203 fully executed by all the Parties.

204 IN WITNESS WHEREOF, the Parties have executed this Agreement as of the
205 day and year first above written.

206 LEWIS CREEK WATER DISTRICT

207 By _____
208 President, Board of Directors
209 (Seal)

210 By _____
211 Secretary, Board of Directors

212 HILLS VALLEY IRRIGATION DISTRICT

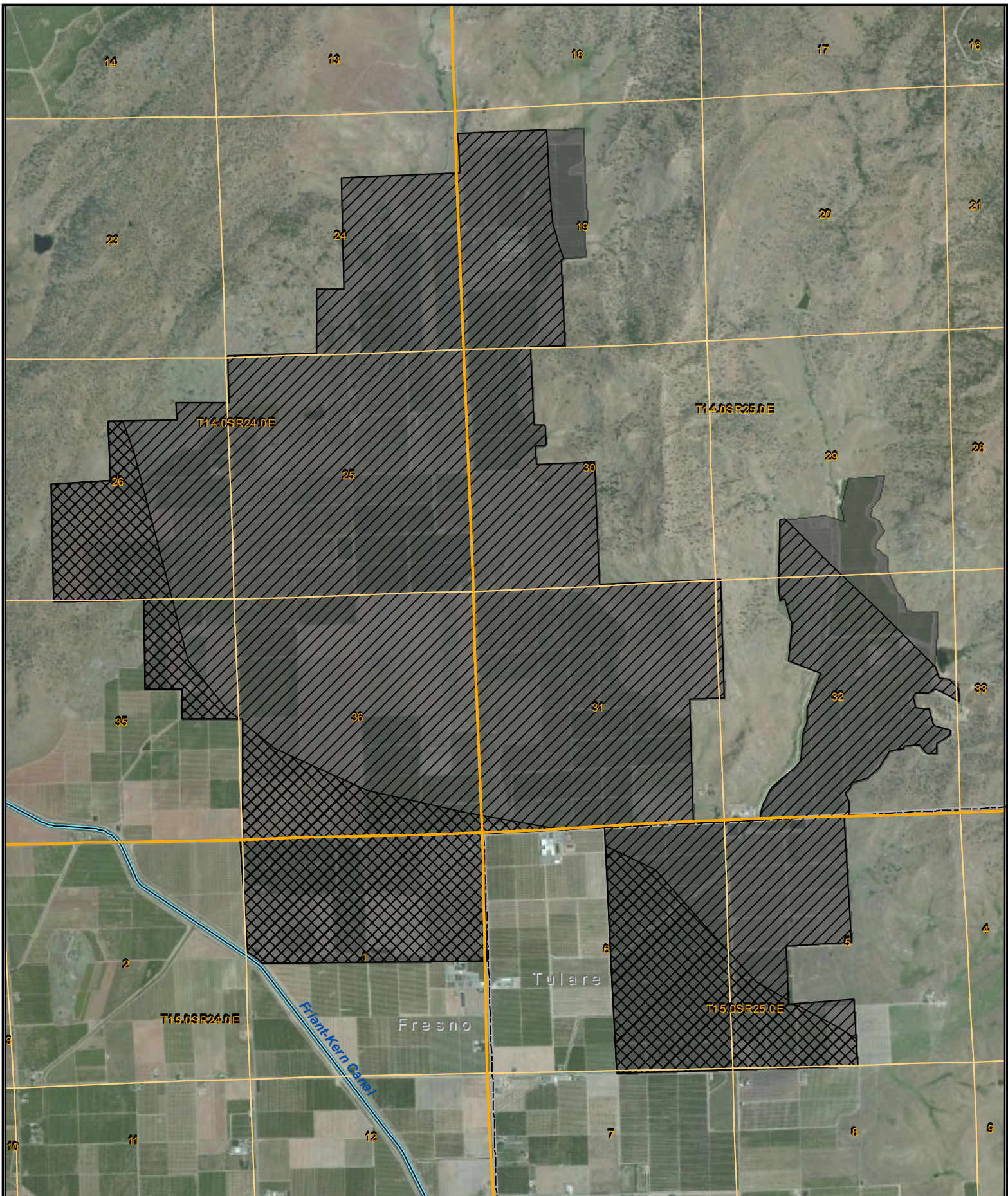
213 By _____
214 President, Board of Directors
 (Seal)




215 By _____
216 Secretary, Board of Directors

217 The foregoing Agreement for Partial Assignment of the Existing Contract and the terms
218 detailed above are hereby approved and accepted by the United States of America.

219 THE UNITED STATES OF AMERICA

220 By _____
221 Regional Director, Mid-Pacific Region
222 Bureau of Reclamation



-  Contractor's Service Area (Irrigation Only)
-  Contractor's Service Area (Irrigation and Other)
-  District Boundary

Date: July 9, 2012
 File Name: N:\Districts\Contracts\hills_valley\hills_valley_175r-4309A.mxd

Hills Valley I.D.

Contract 175r-4309A

Exhibit A



0 0.25 0.5 Miles



1785-202-159

Exhibit B
Contract Year 2012 Rates and Charges
(Hills Valley)

	Irrigation Water Class 2	Other Water ¹
COST-OF-SERVICE RATE		
Capital Component ²		
O&M Components		
Water Marketing	\$6.43	
Storage	\$8.03	
Conveyance ³		
Conveyance Extraordinary O&M Cost	\$0.15	
American Recovery and Reinvestment Act	\$0.02	
TOTAL COS RATE	\$14.63	
Charges and assessments (Payments in addition to Rates)		
P.L. 102-575 Surcharges		
Restoration Fund Payment	\$9.39	
Friant Surcharge	\$7.00	
P.L. 106-377 Assessment (Trinity Public Utilities District)	\$0.05	
Total Charges and Assessments	\$16.44	

¹ The Contractor has not projected any delivery of Other water for the 2012 contract year. A temporary M&I rate will be applied upon any Other water delivery.

² Contractor's rate reflects contract has converted to 9(d) pursuant to the San Joaquin River Restoration Settlement Act. As such, all current and future obligations for construction costs will be repaid through a separate repayment agreement.

³ Conveyance and Conveyance Pumping operation and maintenance costs were removed for ratesetting purposes and are to be direct billed.

Additional details of the rate components are available on the Internet at:
<http://www.usbr.gov/mp/cvpwaterrates/ratebooks/index.html>

Exhibit C-1
Friant Surcharge Reduction Calculation

Friant Contractor:
San Joaquin River Restoration Act

HILLS VALLEY

Modified 9/18/1

Average Annual Delivery - Forecasted for 2020-2039*	213
Total Projected deliveries (over 20 yr period)**	
Article 7(c)	4,260
20 yr CMT as of 10/1/2010	3.400%
1/2 20 yr CMT as of 10/1/2010	1.700%
Irrigation Portion of Existing Capital Obligation	\$61,006
NPV at Half CMT (Repayment Obligation)	\$51,351
NPV at Full CMT	\$43,747
Financing Cost Offset: (Article 7(c)(1))	\$7,604
NPV of FS Reduction	\$6,783
Difference between Financing Cost Offset and NPV of FS Reduction	\$821
2020 Other Obligation Credit (FV of difference) (Art. 7(c)(2))***	\$1,110

	Irrigation portion of Allocated Capital Cost				CVPIA Friant Surcharges	Reduction in Friant Surcharge			
Year	Beginning Balance	Straight Line Repayment	Surcharge per Acre-Foot Before Reduction		Friant Surcharge Reduction per Article c(1)	Friant Surcharge due per A/F after Reduction	Projected Total Annual Credit	2020 Other Obligation Credit Calculation (Art. 7(c)(2))	
2011	\$ 61,006	\$ 3,050	\$7.00			\$7.00	0	\$ 821.39	
2012	\$ 57,956	\$ 3,050	\$7.00			\$7.00	0	\$ 849.32	
2013	\$ 54,905	\$ 3,050	\$7.00			\$7.00	0	\$ 878.20	
2014	\$ 51,855	\$ 3,050	\$7.00			\$7.00	0	\$ 908.05	
2015	\$ 48,805	\$ 3,050	\$7.00			\$7.00	0	\$ 938.93	
2016	\$ 45,754	\$ 3,050	\$7.00			\$7.00	0	\$ 970.85	
2017	\$ 42,704	\$ 3,050	\$7.00			\$7.00	0	\$ 1,003.86	
2018	\$ 39,654	\$ 3,050	\$7.00			\$7.00	0	\$ 1,037.99	
2019	\$ 36,604	\$ 3,050	\$7.00			\$7.00	0	\$ 1,073.28	
2020	\$ 33,553	\$ 3,050	\$7.00		(\$3.00)	\$ 4.00	(\$639)	\$ 1,109.77	
2021	\$ 30,503	\$ 3,050	\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2022	\$ 27,453	\$ 3,050	\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2023	\$ 24,402	\$ 3,050	\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2024	\$ 21,352	\$ 3,050	\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2025	\$ 18,302	\$ 3,050	\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2026	\$ 15,251	\$ 3,050	\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2027	\$ 12,201	\$ 3,050	\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2028	\$ 9,151	\$ 3,050	\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2029	\$ 6,101	\$ 3,050	\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2030	\$ 3,050	\$ 3,050	\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2031			\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2032			\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2033			\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2034			\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2035			\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2036			\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2037			\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2038			\$7.00		(\$3.00)	\$ 4.00	(\$639)		
2039			\$7.00		(\$3.00)	\$ 4.00	(\$639)		
		\$ 61,006					(\$12,780)		

Exhibit C-1
Friant Surcharge Reduction Calculation

Footnotes

* Average annual delivery forecast indicated above is a mutually agreed upon estimate of deliveries during the period 2020-2039 for purposes of calculating the Friant Surcharge reduction and related credits only.

** This figure represents the total cumulative deliveries the reduced surcharge is applicable to, but not beyond 2039. If cumulative actual deliveries exceed this amount prior to 2039, the full Friant Surcharge is applicable to deliveries in excess of this amount.

*** The difference represents the amount of financing costs that are not offset through the reduced Friant Surcharge computed on this schedule. Pursuant to Section 7(c)(2), this amount shall offset the Contractor's other outstanding or future obligations. After 2020, the Contractor's other obligations shall be reduced in the following order to fully offset this amount: 1) Payments or prepayments due for O&M expenses and, to the extent applicable, 2) Additional Capital Obligation.

@ Amount of reduction in Friant Surcharge is computed using FPV of Financing Costs adjusted to Yr 2020. Annual Friant Surcharge reduction to fully offset Financing costs is computed and presented on a per a/f basis. Friant surcharge may be reduced up to \$3 per a/f.

Friant Surcharge (FS) Reduction Calculations

FV of Total Financing Cost for Offset	\$	40,588
Annual Credit Target	\$	(2,737)
FS Reduction w/o limit	\$	(3.35)
FS Reduction limit	\$	(3.00)

Exhibit C-2
Restated Friant Surcharge Reduction Calculation

Footnotes

* Average annual delivery forecast indicated above is a mutually agreed upon estimate of deliveries during the period 2020-2039 for purposes of calculating the Friant Surcharge reduction and related credits only.

** This figure represents the total cumulative deliveries the reduced surcharge is applicable to, but not beyond 2039. If cumulative actual deliveries exceed this amount prior to 2039, the full Friant Surcharge is applicable to deliveries in excess of this amount.

*** The difference represents the amount of financing costs that are not offset through the reduced Friant Surcharge computed on this schedule. Pursuant to Section 7(c)(2), this amount shall offset the Contractor's other outstanding or future obligations. After 2020, the contractor's other obligations shall be reduced in the following order to fully offset this amount: 1) Payments or prepayments due for O&M expenses and, to the extent applicable, 2) Additional Capital Obligation.

@ Amount of reduction in Friant Surcharge is computed using FPV of Financing Costs adjusted to Yr 2020. Annual Friant Surcharge reduction to fully offset Financing costs is computed and presented on per a/f basis. Friant surcharge may be reduced up to \$3 per a/f.

Friant Surcharge (FS) Reduction Calculations

FV of Total Financing Cost for Offset	\$	50,998
Annual Credit Target	\$	(3,439)
FS Reduction w/o limit	\$	(3.37)
FS Reduction limit	\$	(3.00)

FINAL ENVIRONMENTAL ASSESSMENT (11-043)

*ASSIGNMENT OF 250ACRE-FEET OF LEWIS CREEK WATER DISTRICT'S CENTRAL
VALLEY PROJECT FRIANT DIVISION CLASS 1 WATER TO HILLS VALLEY
IRRIGATION DISTRICT*

Appendix C
CEQA Checklist Signature Page

September 2012

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, as indicated by the initial study prepared for the Project.

- | | | |
|---|--|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology/Soils |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Hydrology/Water Quality |
| <input type="checkbox"/> Land Use/Planning | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Population/Housing | <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Transportation/Traffic | <input type="checkbox"/> Utilities / Service Systems | <input type="checkbox"/> Mandatory Findings of significance |

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

- ☒ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- ☐ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- ☐ I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- ☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Dennis R. Keller
Signature
Dennis R. Keller
Printed name

09 July 2012
Date
Lewis Creek Water District
For

FINAL ENVIRONMENTAL ASSESSMENT (11-043)

*ASSIGNMENT OF 250ACRE-FEET OF LEWIS CREEK WATER DISTRICT'S CENTRAL
VALLEY PROJECT FRIANT DIVISION CLASS 1 WATER TO HILLS VALLEY
IRRIGATION DISTRICT*

Appendix D

**Notice of Determinations by Lewis Creek Water District and Hills
Valley Irrigation District**

September 2012

Notice of Determination

Lead Agency / Applicant

To: ☒ Office of Planning and Research
For U.S. Mail:
PO Box 3044
Sacramento, CA 95812-3044

Street Address:
1400 Tenth Street
Sacramento, CA 95814

From: Lewis Creek Water District
P.O. Box 911
209 South Locust Street
Visalia, CA 93279

☒ County Clerk
County of Tulare
County Civic Center, Rm 105
Visalia, CA 93291

County Clerk
County of Fresno
2221 Kern Street
Fresno, CA 93721

FILED
TULARE COUNTY

SEP 18 2012

ROLAND P. HILL
ASSESSOR/CLERK RECORDER
BY:

Subject: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

Project Title: "Assignment of 250 acre-feet of Lewis Creek Water District's Central Valley Project Friant Division Class 1 Water to Hills Valley Irrigation District."

2012071049

State Clearinghouse Number

Lewis Creek Water District

Lead Agency

(559) 732-7938

Area Code/Telephone/Extension

Project Location: The project is located to the south of the City of Exeter in Tulare County and in southeastern Fresno County near the Sierra foothills.

Project Description: Lewis Creek Water District ("LCWD") ran into some financial management issues in the 1990's and implemented a Financial Recovery Plan (hereinafter "FRP") in 2002, in which LCWD partnered with Hills Valley Irrigation District ("HVID"), with the approval of Reclamation, to resolve the prior financial and administrative issues. Under the FRP, HVID provided funds to LCWD in exchange for an annual obligation to transfer 622 AF of LCWD's Class 1 allocation to HVID. HVID and LCWD have since requested Reclamation approval for the assignment of two hundred and fifty (250) acre-feet of LCWD's Class 1 supply under Contract No. 175r-4309D to HVID (hereinafter the "Project"), which would eliminate and otherwise replace LCWD's annual obligations under the FRP. LCWD and HVID have undertaken this Project, and have requested and received approval from the Bureau of Reclamation (Reclamation) for same, for the assignment of 250 acre-feet (AF) of LCWD's CVP Friant Division Class 1 water supply to HVID. Reclamation, on behalf of the United States, LCWD and HVID have executed that certain "Agreement for Partial Assignment of Porterville Irrigation District water services and facilities repayment contract to Hills Valley Irrigation District," which memorializes the terms and conditions for the Project. HVID is a CEQA responsible agency for the Project.

Name and Address of Project Proponent: Lewis Creek Water District, District Office, 209 South Locust Street, Visalia, CA 93279, (559) 732-7938.

This is to advise that the Board of Directors of the Porterville Irrigation District approved the above described project on **September 12, 2012** and has made the following determinations regarding the above described project:

1. The project ☐ will ☒ will not have a significant effect on the environment.
2. ☐ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
☒ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures (☐ were ☒ were not) made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan (☐ was ☒ was not) adopted for this project.
5. A Statement of Overriding Considerations (☐ was ☒ was not) adopted for this project.

6. Findings (☐were ☒were not) made pursuant to the provisions of 14 Cal. Code Regs. §15091.

This certifies that the final environmental document with comments, responses, and record of project approval is available to the General Public at the Lewis Creek Water District, District Office, 209 South Locust Street, Visalia, CA 93279.



Signature
Dennis Keller, District Engineer

September 12, 2012
Date

Date received for filing at OPR:

Notice of Determination**Responsible Agency**

To: ☒ Office of Planning and Research
For U.S. Mail:
PO Box 3044
Sacramento, CA 95812-3044

Street Address:
1400 Tenth Street
Sacramento, CA 95814

From: Hills Valley Irrigation District
P.O. Box 911
209 South Locust Street
Visalia, CA 93279

☒ County Clerk
County of Tulare
County Civic Center, Rm 105
Visalia, CA 93291

County Clerk
County of Fresno
2221 Kern Street
Fresno, CA 93721

FILED
TULARE COUNTY
SEP 18 2012

ROLAND P. HILL
ASSESSOR/CLERK RECORDER
BY

Subject: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

Project Title: "Assignment of 250 acre-feet of Lewis Creek Water District's Central Valley Project Friant Division Class 1 Water to Hills Valley Irrigation District."

2012071049

State Clearinghouse Number

Lewis Creek Irrigation District
Lead Agency

(559) 732-7938

Area Code/Telephone/Extension

Project Location: The project is located to the south of the City of Exeter in Tulare County and in southeastern Fresno County near the Sierra foothills.

Project Description: Lewis Creek Water District ("LCWD") ran into some financial management issues in the 1990's and implemented a Financial Recovery Plan (hereinafter "FRP") in 2002, in which LCWD partnered with Hills Valley Irrigation District ("HVID"), with the approval of Reclamation, to resolve the prior financial and administrative issues. Under the FRP, HVID provided funds to LCWD in exchange for an annual obligation to transfer 622 AF of LCWD's Class 1 allocation to HVID. HVID and LCWD have since requested Reclamation approval for the assignment of two hundred and fifty (250) acre-feet of LCWD's Class 1 supply under Contract No. 175r-4309D to HVID (hereinafter the "Project"), which would eliminate and otherwise replace LCWD's annual obligations under the FRP. LCWD and HVID have undertaken this Project, and have requested and received approval from the Bureau of Reclamation (Reclamation) for same, for the assignment of 250 acre-feet (AF) of LCWD's CVP Friant Division Class 1 water supply to HVID. Reclamation, on behalf of the United States, LCWD and HVID have executed that certain "Agreement for Partial Assignment of Porterville Irrigation District water services and facilities repayment contract to Hills Valley Irrigation District," which memorializes the terms and conditions for the Project. HVID is a CEQA responsible agency for the Project.

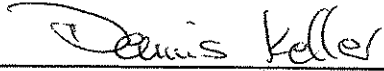
Name and Address of Project Proponent: Hills Valley Irrigation District, District Office, 209 South Locust Street, Visalia, CA 93279, (559) 732-7938.

This is to advise that the Board of Directors of the Hills Valley Irrigation District approved the above described project on **September 13, 2012** and has made the following determinations regarding the above described project:

1. The project ☐will ☒will not have a significant effect on the environment.
2. ☐ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
☒ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures (☐were ☒were not) made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan (☐was ☒was not) adopted for this project.
5. A Statement of Overriding Considerations (☐was ☒was not) adopted for this project.

6. Findings (☐were ☒were not) made pursuant to the provisions of 14 Cal. Code Regs. §15091.

This certifies that the final environmental document with comments, responses, and record of project approval is available to the General Public at the office of the District Engineer for the Hills Valley Irrigation District, located at 209 South Locust Street, Visalia, CA 93279.



Signature
Dennis Keller, District Engineer

September 14, 2012

Date

Date received for filing at OPR: