

RECLAMATION

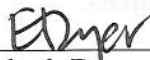
Managing Water in the West

FINDING OF NO SIGNIFICANT IMPACT

Interim Renewal Warren Act Contract Between the United States and Sacramento Municipal Utility District

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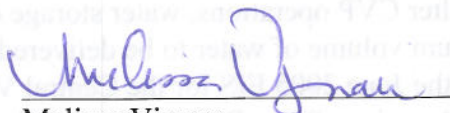
Recommended by:



Date: 12/28/12

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Natural Resource Specialist
Central California Area Office

Concurred by:



Date: 12/28/12

Melissa Vignau
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Approved by:



Date: 12/28/12

Drew Lessard
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FINDINGS

The Bureau of Reclamation has determined that authorizing the interim renewal warren act contract between the Bureau of Reclamation (Reclamation) and the Sacramento Municipal Utility District (SMUD) will not have a significant impact on the quality of the human environment. Therefore, an Environmental Impact Statement (EIS) is not required and will not be prepared for this project, based on the fact that there will be no short-term or long-term adverse impacts on the human environment resulting from the proposed action.

This decision is based on a thorough review of the 2012 Interim Renewal Warren Act Contract Between the United States and Sacramento Municipal Utility District Environmental Assessment (EA dated November 2012). This decision is in accordance with the National Environmental Policy Act (NEPA) of 1969, as amended, the Council on Environmental Quality's (CEQ) Regulations for Implementing the Procedural Provisions of NEPA (40 CFR Parts 1500-1508), and the Department of the Interior (DOI) regulations for implementation of NEPA (43 CFR Part 46).

A finding of no significant impact is based on the following:

1. The environmental effects of the Proposed Action are neither controversial nor do they involve unique or unknown risks.
2. The Proposed Action will have no adverse effect on such unique characteristics as resources, wilderness areas, wetlands, and riparian areas.
3. Implementation of the Proposed Action does not change current hydrology for the water sources included in the Proposed Action. The interim contract will provide for the continued delivery of the same quantities of water to the same lands for the same municipal and industrial uses that are provided for under the existing contract.
4. The Proposed Action would not alter CVP operations, water storage or release patterns from CVP facilities, or the maximum volume of water to be delivered to the American River Division. The Final EIS for the June 2005 EIS for the Central Valley Project Long Term Service Contract Renewals American River Division included analysis to evaluate potential impacts to Folsom Reservoir operations and Reclamation's management of cold water pool with implementation of SMUDs non-project water. The analysis indicates that there would be no changes in cold water pool volume or to Folsom Reservoir operations. Because the implementation of SMUDs non-project water conveyance was found to not affect Folsom Reservoir operations, the Proposed Action will also not result in any adverse affects to Reclamation's operation of Folsom Reservoir. Implementation of the Proposed Action will not affect facility operations.
5. Biological and aquatic resources under the Proposed Action will be identical to conditions under the No Action Alternative. The Proposed Action is seen as an

administrative action that will hinder current operations. Water conveyed under the Proposed Action will be delivered to the water contract service area of SMUD only. The interim contract will provide for the continued delivery of the same quantities of water to the same lands for the same municipal and industrial uses that are provided for under the existing contract. Water deliveries will be made through existing facilities. The action does not require the construction of any new facilities, the installation of any new structures, or the modification of existing facilities. The Proposed Action will have no adverse effect on species either currently federally listed or proposed for listing as candidate, endangered, or threatened species, and no adverse effect on designated critical habitat for these species.

6. Water conveyed under the Proposed Action will be delivered to the water contract service area of SMUD only. The interim contract will provide for the continued delivery of the same quantities of water to the same lands for the same municipal and industrial uses that are provided for under the existing contract. Water deliveries will be made through existing facilities. The action does not require the construction of any new facilities, the installation of any new structures, or the modification of existing facilities. Implementation of the Proposed Action will not affect wildlife resources.
7. The Proposed Action does not involve the types of activities that have the potential to affect historic properties pursuant to the regulations at 36 CFR Part 800.3(a)(1). Land use would remain unchanged and no new construction or new ground disturbing activities would occur under the Proposed Action.
8. Indian Trust Assets would not be affected with implementation of the Proposed Action because there are no ITAs affected in SMUD's existing water service contract area.
9. There are no identified Indian Sacred Sites within the action area of the proposed project and therefore this project will not inhibit use or access to any Indian Sacred Sites.
10. The proposed action will not have any disproportionately negative impact on low-income or minority individuals within the project area. Conditions under the Proposed Action will be identical to conditions under the No Action Alternative.

SUMMARY OF ENVIRONMENTAL IMPACTS

The expected environmental effects of the Proposed Action are described in Chapter 3 of the attached EA. The environmental analysis indicates that the Proposed Action meets the purpose and need described in the EA with negligible effects to the human environment.

ENVIRONMENTAL COMMITMENTS

Reclamation is obligated to ensure fulfillment of any environmental commitments prescribed to mitigate or eliminate impacts resulting from implementation of the Proposed Action.

The following commitments are assumed under the Proposed Action:

- Execution of each interim renewal contract would be implemented as separate action;
- A 26 month interim renewal period is considered in the analysis;
- The contracts would be renewed with existing contract quantities;
- Reclamation would continue to comply with commitments made or requirements imposed by applicable environmental documents, such as existing biological opinions (BOs) including any obligations imposed on Reclamation resulting from re-consultations;
- Reclamation would implement its obligations resulting from Court Orders issued in actions challenging applicable BOs that take effect during the interim renewal period.

RECLAMATION

Managing Water in the West

Environmental Assessment

Interim Renewal Warren Act Contract Between the United States and Sacramento Municipal Utility District

Central California Area Office, Folsom, California



**U.S. Department of the Interior
Bureau of Reclamation
Mid-Pacific Region**

November 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 commitment 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.



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List of Acronyms and Abbreviations

AFY	Acre feet per year
BO	Biological Opinion
CEQ	Council on Environmental Quality
CPP	Cosumnes Power Plant
CVP	Central Valley Project
EA	Environmental Assessment
EIS	Environmental Impact Statement
ITA	Indian Trust Assets
M&I	Municipal and Industrial
NEPA	National Environmental Policy Act
NMFS	U.S. National Marine Fisheries Service
Reclamation	U.S. Bureau of Reclamation
RPAs	Reasonable and Prudent Alternatives
SMUD	Sacramento Municipal Utility District
SWP	State Water Project
USFWS	U.S. Fish and Wildlife Service
WA	Warren Act

Chapter 1 Introduction

In conformance with the National Environmental Policy Act of 1969 (NEPA), as amended, the Bureau of Reclamation (Reclamation) has prepared this Draft Environmental Assessment (EA) to evaluate and disclose any potential environmental impacts associated with the implementation of a 26 month (January 1, 2013 through February 28, 2015) interim renewal Warren Act (WA) contract with the Sacramento Municipal Utility District (SMUD). This proposed WA contract renewal between Reclamation and SMUD would be for the continued conveyance and delivery of up to 15,000 acre feet per year (AFY) of non-project water (i.e., water not part of the Central Valley Project [CVP]) through federal facilities and for the storage of non-project water in federal facilities. The conveyance of water would be through the Folsom South Canal at Nimbus Dam for Municipal and Industrial (M&I) uses within the SMUD's service area at Rancho Seco in south eastern Sacramento County (Figure 1).

1.1 Background

The City of Sacramento assigned 15,000 AFY of water rights on the American River to SMUD for the original Rancho Seco power plant operations. SMUD started operating the Rancho Seco nuclear power plant in southeastern Sacramento County in 1975 and ceased in 1989. SMUD entered into a contract with Reclamation on November 20, 1970 for the delivery of up to 60,000 AFY of CVP water for M&I uses for a total of 75,000 AFY. The first 15,000 AFY, not to exceed 20 cubic feet/second, is water rights water (WA).

The existing WA contract specifically requires SMUD to be responsible for conveyance, handling, disposal, and distribution of water beyond the delivery location on the Folsom South Canal. The existing contract expires on December 31, 2012. The CVP water under the contract was to be used by SMUD in its power generation operations, and was used for more than 15 years for the Rancho Seco nuclear power plant operations. Since the power plant operations ceased, water has been used for continued operation of the site including temperature controls for the nuclear fuels stored at the site. SMUD has received California Energy Commission approval for two gas-powered generators at the Rancho Seco site known as the Cosumnes Power Plant (CPP). The CPP consists of a nominal 1000-megawatt combined-cycle natural gas fired plant.

Warren Act Authority

The Warren Act (43 U.S.C. §523) of 1911 authorizes the Secretary of the Interior to enter into contracts with water purveyors to carry non-project water. Under section 305 of the States Emergency Drought Relief Act of 1991 (43 U.S.C. §2211 et seq.), "Excess Storage and Carrying Capacity," the Secretary is authorized to execute contracts with municipalities, public water districts and agencies, other federal agencies, state agencies,

and private entities pursuant to the Warren Act. These contracts provide for the impounding, storage, and conveyance of non-project water for domestic, municipal, fish and wildlife, industrial, and other beneficial uses using any CVP facilities identified in the law, including Folsom Dam and Reservoir

1.2 Purpose and Need for the Proposed Action

The purpose of the Proposed Action is to execute SMUD's interim renewal contract with Reclamation for the conveyance of 15,000 AFY of non-project water through federal facilities to the Rancho Seco SMUD service area for 26 months (January 1, 2013 through February 28, 2015). Execution of the Proposed Action would provide the contractual relationship for the continued conveyance of SMUD's non-project water to the Rancho Seco SMUD service area pending execution of a long-term renewal contract. Renewal of the interim contract is needed to provide the mechanism for the continued beneficial use of the water and to maintain the existing conditions for the interim of 26 months. The existing water supply amount and needs for use at SMUD's facilities would not change. This action is for conveyance only. Reclamation has no authority over the delivered water use.

Chapter 2 Alternatives Including Proposed Action

2.1 No Action

Under the No Action alternative, the 1970 contract between SMUD and Reclamation would expire on December 31, 2012 and there would be no contractual mechanism for SMUD to convey their water rights water to their SMUD facilities. The existing water supply needs at SMUD's facilities would not be met.

2.2 Proposed Action

The Proposed Action evaluated in this document is an interim renewal of an existing contract until a long-term WA contract can be executed. The Proposed Action is the renewal of a contract for an interim of 26 months between Reclamation and SMUD to facilitate the delivery of up to 15,000 AFY of non-project water diverted from the American River at Nimbus Dam and conveyed through the Folsom South Canal to the SMUD's Rancho Seco facility for M&I uses. The water under this contract would be used by SMUD for its power generation operations, and has been used for more than 15 years for the Rancho Seco nuclear power plant operations. Since the power plant operations ceased, water has been used for continued operation of the site including temperature controls for the nuclear fuels stored at the site. SMUD has received California Energy Commission approval for two gas-powered generators at the Rancho Seco site known as the Cosumnes Power Plant (CPP). The CPP consists of a nominal 1000-megawatt combined-cycle natural gas fired plant. The Proposed Action would provide the continued contractual mechanism for SMUD to convey their water rights water to their SMUD facilities. Under the Proposed Action, SMUD's existing water supply needs at SMUD's facilities would continue to be met. SMUD would be responsible for the conveyance, handling, disposal, and distribution of water beyond the delivery location on the Folsom South Canal.

In the event a new long-term water service contract is executed the proposed interim contract then-in-effect would be superseded by the long-term WA contract and analyzed under a separate process.

For purposes of this EA, the following requirements are assumed under the Proposed Action:

- Execution of each interim renewal contract would be implemented as separate action;

- A 26 month interim renewal period is considered in the analysis;
- The contract would be renewed with existing contract quantities;
- Reclamation would continue to comply with commitments made or requirements imposed by applicable environmental documents, such as existing biological opinions (BOs) including any obligations imposed on Reclamation resulting from re-consultations; and
- Reclamation would implement its obligations resulting from Court Orders issued in actions challenging applicable BOs that take effect during the interim renewal

Chapter 3 Affected Environment & Environmental Consequences

SMUD is one of seven water purveyors contained within the American River Division of the CVP. The service area boundaries within Sacramento County where CVP water is served is identified in Maps 1 and 2. Consistent with the environmental analysis for the Long-term Contract Renewals in the American River Division Environmental Impact Statement (EIS) (USBR 2005), this EA considers the potential effects of the proposed interim WA contract on the resources listed below. The analysis contained in the EIS (USBR 2005) is incorporated by reference into this document as well as the December 15, 2008 and June 4, 2009 Biological Opinions from the U.S. Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS), respectively on the Continued Long-term Operations of the CVP and State Water Project (SWP).

This EA does not analyze resources for which it would be reasonable to assume that no impacts would occur from the implementation of the Proposed Action. Specifically, potential impacts to air quality, soils, land use, wildlife, visual resources, recreation, transportation, noise, hazards and hazardous material, socioeconomics, public services, utilities, and service systems are not analyzed because they were not identified as significant issues during scoping and it would not be reasonable to assume that a 26 month interim renewal WA contract would result in impacts to these resources or services. In addition to the resources stated above, Reclamation considered and determined that the Proposed Action would not impact the following resources:

- **Indian Trust Assets (ITA):** There are no known ITA's or treaty rights exercised by tribes, nor are there any reservations or trust lands located within or adjacent to the Proposed Action that would be affected.
- **Indian Sacred Sites:** No Indian sacred sites have been identified within the footprint of the Proposed Action.
- **Environmental Justice:** Environmental Justice issues in the American River Division counties under the Proposed Action would be identical to conditions under the No Action Alternative.
- **Global Climate:** Impacts to climate change in the American River Division counties under the Proposed Action would be identical to conditions under the No Action Alternative.
- **Cultural Resources:** Impacts to cultural resources in the American River Division counties within the Proposed Action's area of potential effect is defined in the Long-term Contract Renewals in the American River Division EIS (USBR, 2005). The Proposed Action would have no affect to cultural resources or historic

properties because no land use changes or new development would occur in the renewal water service contract areas.

This EA will analyze the affected environment of the Proposed Action and No Action Alternatives in order to determine the potential impacts and cumulative effects to the following environmental resources.

3.1 Water Supply and Hydrology

3.1.1 No Action

Implementation of the No Action alternative would mean that the interim contract would expire in December 2012 and up to 15,000 AFY of non-project water would not continue to be diverted at Folsom South Canal to flow to SMUD facilities at Rancho Seco in the south eastern portion of Sacramento County. SMUD would not have a contract mechanism for conveyance of their non-project water for M&I purposes.

3.1.2 Proposed Action

Implementation of the Proposed Action, which is continuing the existing conditions, would not change current hydrology of the water sources included in the Proposed Action. The water source would come from the SMUD Upper American River Project and be delivered at the Folsom South Canal at Nimbus Dam. There would be no impacts on current water supply availability at Folsom Reservoir under the proposed action, as this is a continuous action.

Existing flow agreements of 20 cfs per day (up to 15,000 AFY) at the headworks of the Folsom South Canal at Nimbus Dam would remain in effect. The water would be conveyed through Folsom Lake and delivered to the Contractor at the turnout on Folsom South Canal located at a point 700 feet upstream from the inlet transition of the Laguna Creek siphon.

Due to the small quantity of water which would be diverted, the effects on water supply would not be measureable on the lower American River in most years and it would be very difficult and speculative to try to identify the years in which any impact would exist. In fact, assuming fairly even diversion over the course of the year, the Proposed Action converts to approximately an instantaneous flow rate of 20 cfs whereas flows in the American River are measured in hundreds and thousands of cfs.

Implementation of the Proposed Action would result in no change to the lower American River because in-stream flows would remain the same and existing flow agreements would remain in effect. This action is a continuation of current non-project water conveyance and implementation of this action would be the continuation of existing conditions. Therefore, implementation of the Proposed Action would result in no new or

additional impacts to water supply and hydrology, but maintain current or existing conditions for an interim period of 26 months. There would be no impacts to water resources resulting from the Proposed Action.

3.2 Biological Resources

3.2.1 No Action

Implementation of the No Action alternative would mean that the interim contract would expire in December 2012 and up to 15,000 AFY of non-project water would not continue to be diverted at Folsom South Canal to flow to SMUD facilities at Rancho Seco in the south eastern portion of Sacramento County. SMUD would not have a contract mechanism for conveyance of their non-project water for M&I purposes.

3.2.2 Proposed Action

Biological resources under the Proposed Action would be identical to conditions under the No Action Alternative. The interim contract would provide for the continued delivery of the same quantities of water to the same lands for the same M&I uses that are provided for under the existing contract. Water deliveries would be made through existing CVP facilities. The action does not require the construction of any new facilities, the installation of any new structures, or the modification of existing facilities. The water would be placed to beneficial use within the authorized place of use within the contractors' water service area. Implementation of the Proposed Action would not change biological resources within the action area. This water contract quantity is included in the biological resources analysis contained in the Long-term Contract Renewals in the American River Division EIS (USBR, 2005), and therefore is incorporated by reference into this document as well as the 2008/2009 BOs from the USFWS and the NMFS, respectively on the Continued Long-term Operations of the CVP and SWP. Reclamation is currently operating the overall CVP system to meet all regulatory requirements, downstream water needs, and environmental requirements. There would be no impacts to biological resources from the implementation of the Proposed Action.

3.3 Aquatic Resources

3.3.1 No Action

Implementation of the No Action alternative would mean that the interim contract would expire in December 2012 and up to 15,000 AFY of non-project water would not continue to be diverted at Folsom South Canal to flow to SMUD facilities at Rancho Seco in the south eastern portion of Sacramento County. SMUD would not have a contract mechanism for conveyance of their non-project water for M&I purposes. There would be no impact to aquatic resources under the No Action Alternative.

3.3.2 Proposed Action

Aquatic resources under the Proposed Action would be identical to conditions under the No Action Alternative. The interim contract would provide for the continued delivery of the same quantities of water to the same lands for the same M&I uses that are provided for under the existing contract. Water deliveries would be made through existing CVP facilities. The action does not require the construction of any new facilities, the installation of any new structures, or the modification of existing facilities. The water would be placed to beneficial use within the authorized place of use within the contractors' water service area. Implementation of the Proposed Action would not change aquatic resources within the action area. This water contract quantity is included in the aquatic resources analysis contained in the Long-term Contract Renewals in the American River Division EIS (USBR, 2005), and therefore is incorporated by reference into this document as well as the 2008/2009 BOs from the USFWS and the NMFS, respectively on the Continued Long-term Operations of the CVP and SWP.

In addition, as part of the essential fish habitat conservation consultation, NMFS analyzed the effects of the Proposed Action on fall-run Chinook salmon in the lower American River. In general, NMFS identified the primary factors potentially limiting fall-run production within the lower American River as high water temperatures, reduced flow magnitude, and flow fluctuations. NMFS identified Reasonable and Prudent Alternatives (RPAs) to alleviate the effects of Folsom Reservoir operations on fall-run Chinook salmon in the lower American River. The Proposed Action was addressed in the consultation and is subject to the NMFS BO.

Reclamation is currently operating the overall CVP system to meet all regulatory requirements, downstream water needs, and environmental requirements. Under the Proposed Action, Reclamation would continue to implement all current regulatory actions. The Proposed Action would not alter CVP operations, water storage or release patterns from CVP facilities, or the maximum volume of water to be delivered to the American River Division. There would be no impacts to aquatic resources from the implementation of the Proposed Action.

3.4 Facility Operations

3.4.1 No Action

Implementation of the No Action alternative would mean that the interim contract would expire in December 2012 and up to 15,000 AFY of non-project water would not continue to be diverted at Folsom South Canal to flow to SMUD facilities at Rancho Seco in the south eastern portion of Sacramento County. Under the No Action alternative, SMUD would not have a contract mechanism for conveyance of their non-project water for M&I purposes.

3.4.2 Proposed Action

The Final EIS for the June 2005 CVP Long-term Contract Renewals in the American River Division included analysis to evaluate potential impacts to Folsom Reservoir operations and Reclamation's management of the cold water pool with implementation of SMUDs project water. This analysis indicates that no changes in cold water pool volume would result in any change to Folsom Reservoir operations and therefore would not have any additional affect on Reclamation's ability to meet downstream requirements. Because the implementation of this water service contract was found to not affect Folsom Reservoir operations, it is reasonable to conclude that implementation of the Proposed Action would also not result in additional affects to Reclamation's operation of Folsom Reservoir or management of the cold water pool, as this is a renewal for ongoing operations within the CVP. Facility operations would not be impacted by the implementation of the Proposed Action

3.5 Cumulative Impacts

According to the Council on Environmental Quality (CEQ) regulations for implementing the procedural provisions of NEPA, a cumulative impact is defined as *the impact on the environment which results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions regardless of what agency (Federal or non-Federal) or person undertakes such other actions*. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time.

The Proposed Action would not result in cumulative adverse impacts to environmental resources when considered in combination with other past, present, and reasonably foreseeable future actions. This action is a continuation of current project water conveyance and implementation of this action would be the continuation of current events. The Proposed Action would not change long-term CVP contract amounts or deliveries from within the historical ranges since the Proposed Action would be identical to existing conditions.

Chapter 4 Consultation and Coordination

This section presents the agencies and parties that were coordinated or consulted with during development of the document, the applicable Federal, State, and local requirements the project will comply with, and the distribution list.

Agencies and parties that were contacted during the development of this document:

- National Marine Fisheries Service
- Fish and Wildlife Service

It is reasonable to assume that the 2008 and 2009 BOs, and proceeding BOs have properly identified and analyzed the impacts associated with the movement of this water through Folsom South Canal. Furthermore, the 2008/2009 BOs provided additional analyses for the movement of this water and the RPAs developed by NMFS and FWS allowed for continued and ongoing operation of the CVP. Therefore, the renewal of this contract is seen as an administrative action and not a new action that would hinder current operations in managing Folsom Reservoir, Lower American River, or the Folsom South Canal.

The 2008 FWS Biological Opinion and 2009 NMFS Biological Opinion for the continued operations of the CVP and State Water Project (SWP) indicates RPAs to ensure that project related effects on protected species and their critical habitats are ameliorated to the extent possible.

Reclamation has submitted an Environmental Assessment for a 26 month interim renewal WA contract under Section 7(a)(2) of the Endangered Species Act. The action area is defined as the water and streams within SMUD's (Rancho Seco) CVP service areas as derived from the Sacramento and American River watersheds.

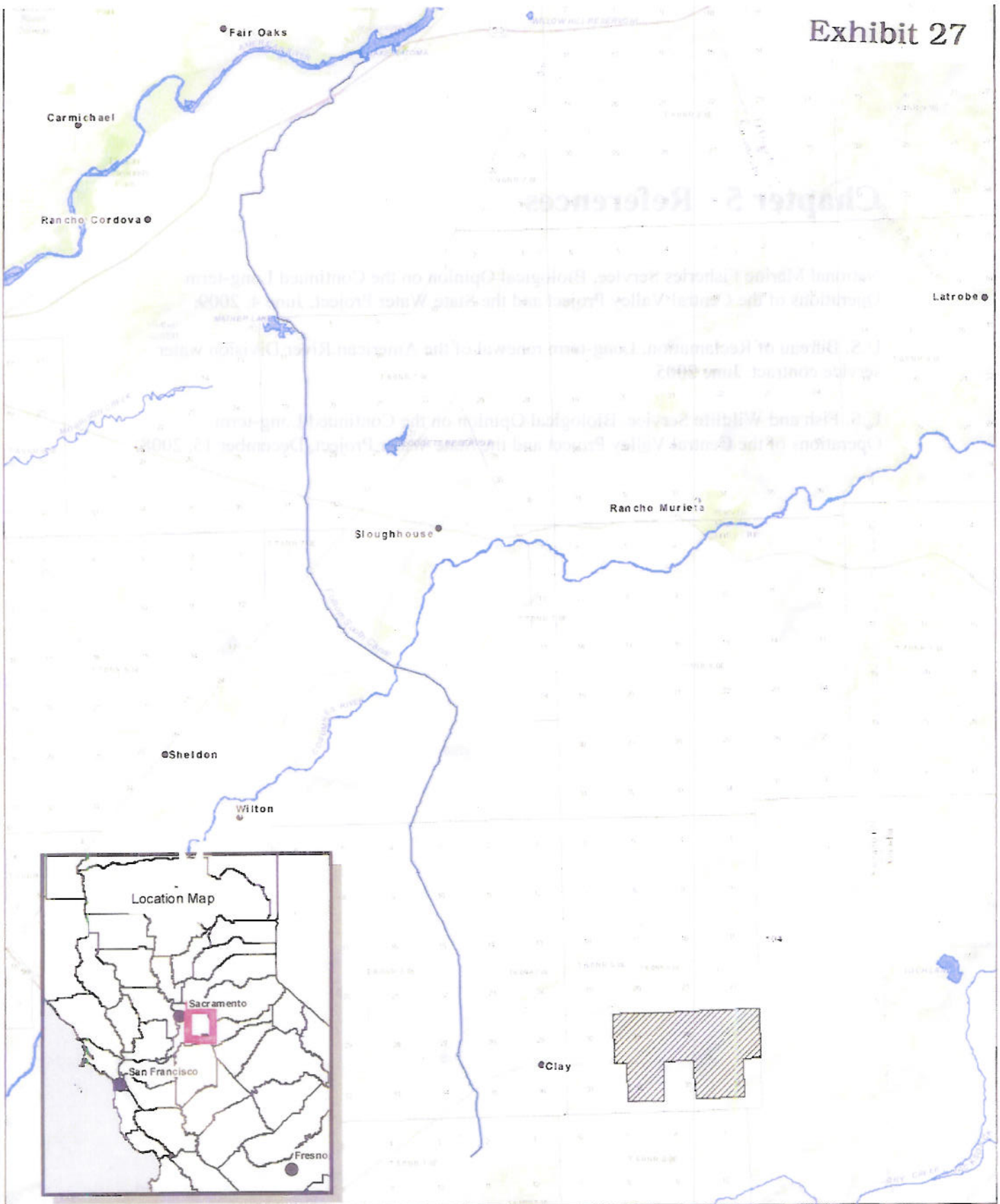
- Sacramento Municipal Utility District

Chapter 5 References

National Marine Fisheries Service, Biological Opinion on the Continued Long-term Operations of the Central Valley Project and the State Water Project, June 4, 2009.

U.S. Bureau of Reclamation, Long-term renewal of the American River Division water service contract, June 2005.

U.S. Fish and Wildlife Service, Biological Opinion on the Continued Long-term Operations of the Central Valley Project and the State Water Project, December 15, 2008.



Sacramento M.U.D.
Contract No. 14-06-200-5198A-LTR1
Exhibit A

 Contractor's Service Area

0 0.5 1 2 3 4 5 Miles



353-202-5