

RECLAMATION

Managing Water in the West

Draft Environmental Assessment

Central Valley Project Interim Renewal Contract for the City of Tracy 2016-2018

EA-15-021



U.S. Department of the Interior
Bureau of Reclamation

July 2015

Mission Statements

The mission of the Department of the Interior is to protect and manage the Nation's natural resources and cultural heritage; provide scientific and other information about those resources; and honor its trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated 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.

Contents

| | Page |
|--|-----------|
| Section 1 Introduction | 1 |
| 1.1 Background | 1 |
| 1.1.1 Interim Renewal Contracts | 1 |
| 1.1.2 Long-Term Renewal Contracts | 4 |
| 1.2 Need for the Proposed Action | 6 |
| 1.3 Scope | 6 |
| 1.4 Issues Related to CVP Water Use Not Analyzed | 8 |
| 1.4.1 Contract Service Areas | 8 |
| 1.4.2 Water Transfers and Exchanges | 8 |
| 1.4.3 Contract Assignments | 8 |
| 1.4.4 Warren Act Contracts | 8 |
| 1.4.5 Purpose of Water Use | 8 |
| Section 2 Alternatives Including the Proposed Action | 9 |
| 2.1 No Action Alternative | 9 |
| 2.1.1 Other Contract Provisions of Interest | 10 |
| 2.2 Proposed Action | 10 |
| 2.2.1 Environmental Commitments | 11 |
| 2.2.2 Comparison of Alternative Differences | 11 |
| 2.3 Alternatives Considered but Eliminated from Further Analysis | 11 |
| 2.3.1 Non-Renewal of Contracts | 11 |
| 2.3.2 Reduction in Interim Renewal Contract Water Quantities | 11 |
| Section 3 Affected Environment and Environmental Consequences | 13 |
| 3.1 Resources Eliminated from Further Analysis | 14 |
| 3.2 Water Resources | 15 |
| 3.2.1 Affected Environment | 15 |
| 3.2.2 Environmental Consequences | 17 |
| No Action | 17 |
| Proposed Action | 17 |
| Cumulative Impacts | 17 |
| 3.3 Biological Resources | 18 |
| 3.3.1 Affected Environment | 18 |
| 3.3.2 Environmental Consequences | 21 |
| No Action | 21 |
| Proposed Action | 21 |
| Cumulative Impacts | 21 |
| Section 4 Consultation and Coordination | 23 |
| 4.1 Public Review Period | 23 |
| Section 5 Preparers and Reviewers | 25 |

Section 6 References 27

| | |
|--|----|
| Table 1 Contract, Contract Entitlement and Purpose of Use | 9 |
| Table 2 Environmental Protection Measures and Commitments | 11 |
| Table 3 Resources Eliminated from Further Analysis | 14 |
| Table 4 Federally protected species within or near the City of Tracy Service Area | 18 |

| | |
|------------------------------------|----|
| Figure 1 Proposed Action Area..... | 13 |
|------------------------------------|----|

| | |
|------------|--|
| Appendix A | City of Tracy’s CVP Service Area Map |
| Appendix B | Reclamation’s Cultural Resources Determination |
| Appendix C | City of Tracy’s Water Needs Assessment |

Section 1 Introduction

1.1 Background

In 2005, the Bureau of Reclamation (Reclamation) issued a Final Environmental Assessment (EA) for renewal of Central Valley Project (CVP) long-term water service contracts for Delta Division contractors which included the City of Tracy (City) as part of its analysis (Reclamation 2005a). At the time, a Finding of No Significant Impact (FONSI) was not issued for renewal of the City's long-term water service contract (Contract No. 14-06-200-7858A) as its contract did not expire until December 31, 2013, negotiations for the long-term renewal contract were not finished, and Endangered Species Act (ESA) consultation was not completed. On May 28, 2013, Reclamation and the City re-initiated negotiations for renewal of the City's long-term water service contract which included combining its main contract (Contract No. 14-06-200-7858A) with its two partial assignment interim renewal contracts (Contract Nos. 14-06-200-4305A-IR13-B and 7-07-20-W0045-IR13-B) under one long-term water service contract.

As negotiations were ongoing and environmental compliance for execution of a long-term renewal contract was pending, Reclamation and the City executed a 26-month interim renewal contract in February 2014 that combined the City's main contract and its two partial assignment interim renewal contracts. As this interim renewal contract will expire soon and a long-term contract has not been executed, the City has requested renewal of the interim renewal contract.

1.1.1 Interim Renewal Contracts

On October 30, 1992, the President signed into law the Reclamation Projects Authorization and Adjustment Act of 1992 (Public Law 102-575) which included Title 34, the Central Valley Project Improvement Act (CVPIA). The CVPIA amended previous authorizations of the CVP to include fish and wildlife protection, restoration, and mitigation as project purposes having equal priority with irrigation and domestic water supply uses, and fish and wildlife enhancement as having an equal priority with power generation. Through the CVPIA, Reclamation is developing policies and programs to improve the environmental conditions that were affected by the operation and maintenance (O&M) and physical facilities of the CVP. The CVPIA also includes tools to facilitate larger efforts in California to improve environmental conditions in the Central Valley and the San Francisco Bay-Delta system.

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

... the Secretary shall, upon request, renew any existing long-term repayment or water service contract for the delivery of water ... for a period of 25 years and may renew such contracts for successive periods of up to 25 years each ... [after] appropriate environmental review, including

preparation of the environmental impact statement required in section 3409 [i.e., the CVPIA PEIS] ... has been completed.

Reclamation released a Draft PEIS on November 7, 1997. An extended comment period closed on April 17, 1998. The U.S. Fish and Wildlife Service (USFWS) became a co-lead agency in August 1999. Reclamation and the USFWS released the Final PEIS in October 1999 (Reclamation 1999) and the Record of Decision (ROD) in January 2001. The CVPIA PEIS analyzed a No Action Alternative, 5 Main alternatives, including a Preferred Alternative, and 15 Supplemental Analyses. The alternatives included implementation of the following programs: Anadromous Fish Restoration Program with flow and non-flow restoration methods and fish passage improvements; Reliable Water Supply Program for refuges and wetlands identified in the 1989 Refuge Water Supply Study and the San Joaquin Basin Action Plan; Protection and restoration program for native species and associated habitats; Land Retirement Program for willing sellers of land characterized by poor drainage; and CVP Water Contract Provisions for contract renewals, water pricing, water metering/monitoring, water conservation methods, and water transfers.

The CVPIA PEIS provided a programmatic evaluation of the impacts of implementing the CVPIA including impacts to CVP operations north and south of the Sacramento-San Joaquin River Delta (Delta). The PEIS addressed the CVPIA's region-wide impacts on communities, industries, economies, and natural resources and provided a basis for selecting a decision among the alternatives.

Section 3404(c) of the CVPIA further provides for the execution of interim renewal contracts for contracts which expired prior to completion of the CVPIA PEIS by stating that:

No such renewals shall be authorized until appropriate environmental review, including the preparation of the environmental impact statement required in section 3409 of this title, has been completed. Contracts which expire prior to the completion of the environmental impact statement required by section 3409 [i.e., the CVPIA PEIS] may be renewed for an interim period not to exceed three years in length, and for successive interim periods of not more than two years in length, until the environmental impact statement required by section 3409 has been finally completed, at which time such interim renewal contracts shall be eligible for long-term renewal as provided above.

Interim renewal contracts have been and continue to be undertaken under the authority of the CVPIA to provide a bridge between the expiration of the original long-term water service contracts and the execution of new long-term water service contracts as required by the CVPIA. The interim renewal contracts reflect current Reclamation law, including modifications resulting from the Reclamation Reform Act and applicable CVPIA requirements. The initial interim renewal contracts were negotiated in 1994 with subsequent renewals for periods of two years or less to provide continued water service. Many of the provisions from the interim renewal contracts were assumed to be part of the contract renewal provisions in the description of the PEIS Preferred Alternative.

The PEIS did not analyze site specific impacts of contract renewal but rather CVP-wide impacts of execution of long-term renewal contracts. Consequently, as long-term renewal contract negotiations were completed, Reclamation prepared environmental documents that tiered from the PEIS to analyze the local effects of execution of long-term renewal contracts at the division, unit, or facility level (see Section 1.1.2). Tiering is defined as the coverage of general matters in broader environmental impact statements with site-specific environmental analyses for individual actions. Environmental analysis for the interim renewal contracts has also tiered from the PEIS to analyze site specific impacts. Consequently, the analysis in the PEIS as it relates to the implementation of the CVPIA through contract renewal and the environmental impacts of implementation of the PEIS Preferred Alternative are foundational and laid the groundwork for this document. The PEIS analyzed the differences in the environmental conditions between existing contract requirements (signed prior to CVPIA) and the No Action Alternative described in this EA which is reflective of minimum implementation of the CVPIA.

In accordance with and as required by Section 3404(c) of the CVPIA, Reclamation proposes to execute one Delta Division interim renewal contract with the City beginning March 1, 2016. When a new long-term renewal contract for water service is executed, the interim renewal contract then-in-effect would be superseded by the long-term renewal contract.

Previous interim renewal EAs for the City's combined interim renewal contract and two partial assignments, which tiered from the PEIS, have been prepared for these contracts and approved as follows:

- A 2014 EA (Reclamation 2014) which covered January 1, 2014 through February 29, 2016 for the City's combined main contract and two partial assignment interim renewal contracts.
- A 2012 EA (Reclamation 2012) which covered contract years¹ 2012 through 2014 for the City's two partial assignment interim renewal contracts.
- A 2010 EA (Reclamation 2010) which covered contract years 2010 through 2012 for the City's two partial assignment interim renewal contracts.
- A 2008 EA (Reclamation 2008) which covered the contract years 2008 through 2010 for the City's two partial assignment interim renewal contracts.
- A 2006 Supplemental EA (Reclamation 2006a) which covered the years 2006 and 2007 for the City's two partial assignment interim renewal contracts.
- A 2004 Supplemental EA (Reclamation 2004a) which covered the contract years 2004 and 2005 for the City's two partial assignment interim renewal contracts.
- A 2002 Supplemental EA (Reclamation 2002a) which covered the contract years 2002 and 2003 for the City's two partial assignment interim renewal contracts.
- A 2001 Supplemental EA (Reclamation 2001) which covered the contract year 2001 for the City's two partial assignment interim renewal contracts.
- A 2000 Supplemental EA (Reclamation 2000a) which covered the contract year 2000 for the City's two partial assignment interim renewal contracts.

¹ A contract year is from March 1 of a particular year through February 28/29 of the following year.

- A 1998 Supplemental EA (Reclamation 1998) which covered the contract years 1998 and 1999 for the City's two partial assignment interim renewal contracts.
- A 1994 Interim Renewal Contracts EA (Reclamation 1994) which covered the contract years 1994 through 1997 for the City's two partial assignment interim renewal contracts.

This EA was developed consistent with regulations and guidance from the Council on Environmental Quality, and in conformance with the analysis provided in *Natural Resources Defense Council v. Patterson*, Civ. No. S-88-1658 (Patterson). In *Patterson* the Court found that "...[on] going projects and activities require NEPA [National Environmental Policy Act] procedures only when they undergo changes amounting in themselves to further 'major action'." In addition, the court went further to state that the NEPA statutory requirement applies only to those changes. The analysis in this EA and the incorporated EAs finds in large part that the execution of the interim renewal contracts is in essence a continuation of the "status quo", and that although there are financial and administrative changes to the contracts, the contracts continue the existing use and allocation of resources (i.e., the contracts are for the same amount of water and for use on the same lands for existing/ongoing purposes). Further, on March 8, 2013, the Federal Court in the Eastern District of California found that Reclamation "appropriately defined the status quo as the 'continued delivery of CVP water under the interim renewal of existing contracts'" and that "[t]he indisputable historical pattern of use of the resource (water) further supports the Bureau's definition of the no-action alternative" (Document 52 for Case 1:12-cv-01303-LJO-MJS). On February 6, 2014, the Eastern District Court of California further stated that "agency actions that do not alter the status quo *ipso facto* do not have a significant impact on the environment" and that the "[a]n action that does not change the status quo cannot cause any change in the environment and therefore cannot cause effects that require analysis in the EA" (Document 88 for Case 1:12-cv-01303-LJO-MJS). This EA is therefore focused on the potential environmental effects resulting to proposed changes to the contract as compared to the No Action Alternative.

1.1.2 Long-Term Renewal Contracts

CVP water service contracts are between the United States and individual water users or districts and provide for an allocated supply of CVP water to be applied for beneficial use. Water service contracts are required for the receipt of CVP water under federal Reclamation law. Among other things, water service contracts stipulate provisions under which a water supply is provided, which produces revenues sufficient to recover an appropriate share of capital investment and to pay the annual O&M costs of the CVP.

Reclamation completed long-term renewal contract environmental documentation in early 2001 for CVP contracts in the Friant Division, Hidden Unit, and Buchanan Unit of the CVP (Reclamation 2001). Twenty-five of the 28 Friant Division long-term renewal contracts were executed between January and February 2001. The Hidden Unit and Buchanan Unit long-term renewal contracts were executed in February 2001. The Friant Division long-term renewal contracts with the City of Lindsay, Lewis Creek Water District, and City of Fresno were executed in 2005. In accordance with Section 10010 of the Omnibus Public Land Management Act of 2009 (Public Law 111-11), Reclamation entered into 24 Friant Division 9(d) Repayment Contracts by December 2010.

A Final Environmental Impact Statement (EIS) analyzing effects of the long-term renewal contracts for the Sacramento River Settlement Contracts and the Colusa Drain Mutual Water Company was completed in December 2004 (Reclamation 2004b). The 147 Sacramento River Settlement Contracts were executed in 2005, and the Colusa Drain Mutual Water Company contract was executed on May 27, 2005. A revised EA for the long-term renewal contract for the Feather Water District water-service replacement contract was completed August 15, 2005 and the long-term renewal contract was executed on September 27, 2005 (Reclamation 2005b).

Environmental documents were completed by Reclamation in February 2005 for the long-term renewal of CVP contracts in the Shasta Division and Trinity River Divisions (Reclamation 2005c), the Black Butte Unit, Corning Canal Unit, and the Tehama-Colusa Canal Unit of the Sacramento River Division (Reclamation 2005d). All long-term renewal contracts for the Shasta, Trinity and Sacramento River Divisions covered in these environmental documents were executed between February and May 2005. As Elk Creek Community Services District's long-term contract didn't expire until 2007 they chose not to be included at that time. Reclamation continues to work on long-term renewal contract environmental documentation for Elk Creek Community Services District.

Reclamation completed long-term renewal contract environmental documents for the Delta Division (Reclamation 2005a) and the U.S. Department of Veteran Affairs (Reclamation 2005e). In 2005, Reclamation executed 17 Delta Division long-term renewal contracts.

Reclamation completed long-term renewal contract environmental documents for Contra Costa Water District (Reclamation 2005f) and executed a long-term renewal contract in 2005.

Regarding certain long term contract renewals related to the Sacramento River Settlement contracts and certain Delta Division contracts, the United States Court of Appeals for the Ninth Circuit recently held that the original Sacramento River Settlement contracts did not strip Reclamation of all discretion at contract renewal, such that Reclamation was not obligated to consult under Section 7 of the ESA. The court also held that environmental plaintiffs have standing to challenge the renewal of the Delta Division contracts under Section 7 of the ESA, even though the contracts include shortage provisions that allow Reclamation to completely withhold project water for legal obligations. The court additionally found that Reclamation, even though full contract deliveries were analyzed in the 2008 delta smelt biological opinion, has yet to consult on specific contract terms to benefit delta smelt. The matter has been remanded to District Court, which has stayed the litigation for six months to allow Reclamation reinstate consultation with USFWS on the contract renewals' potential effect on delta smelt. The contracts remain effective.

Reclamation completed long-term renewal contract environmental documents for the majority of the American River Division (Reclamation 2005g). The American River Division has seven contracts that are subject to renewal. The ROD for the American River long-term renewal contract EIS was executed for five of the seven contractors. Reclamation continues to work on long-term renewal contract environmental documentation for the other two remaining contractors.

On March 28, 2007, the San Felipe Division existing contracts were amended to incorporate some of the CVPIA requirements; however, the long-term renewal contracts for this division were not executed. The San Felipe Division contracts expire December 31, 2027. Reclamation continues to work on long-term renewal contract environmental documentation for the San Felipe Division.

Long-term renewal contracts have not been completed for the City of Tracy, Cross Valley contractors, the San Luis Unit and the 3-way partial assignment from Mercy Springs Water District to Pajaro Valley Water Management Agency, Santa Clara Valley Water District, and Westlands Water District Distribution District # 1 as ESA consultation by the USFWS and National Marine Fisheries Service (NMFS) for the CVP/State Water Project (SWP) Coordinated Operations was remanded in 2010 (Document 757, Case 1:09-cv-00407-OWW-DLB) and 2011 (Document 633, Case 1:09-cv-01053-OWW-DLB), respectively, by the U.S. District Court without *vacatur* prior to completion of the long-term environmental analysis. In 2014, the U.S. Court of Appeals for the Ninth Circuit reversed the components of the district court's ruling that invalidated the biological opinions (Case: 11-15871, D.C. No. 1:09-cv-00407-OWW-DLB and Case: 12-15144, D.C. No. 1:09-cv-01053-LJO-DLB). As the CVP/SWP Coordinated Operations ESA consultation has been upheld, Reclamation is pursuing completion of environmental compliance for the remaining long-term contracts under separate environmental documentation.

1.2 Need for the Proposed Action

Interim renewal contracts are needed to provide the mechanism for the continued beneficial use of the water developed and managed by the CVP and for the continued reimbursement to the federal government for costs related to the construction and operation of the CVP by the City. Additionally, CVP water is essential to continue municipal viability for the City.

As described in Section 1.1.2, execution of long-term renewal contract with the City is still pending. The purpose of the Proposed Action is to execute an interim renewal contract with the City in order to continue delivery without interruption of CVP water to the City, and to further implement CVPIA Section 3404(c), until the City's new long-term renewal contract can be executed.

1.3 Scope

This EA has been prepared to examine the impacts on environmental resources as a result of delivering water to the City under the proposed interim renewal contract. The water would be delivered for municipal and industrial (M&I) purposes only within Reclamation's existing water right place of use. The water would be delivered within the City's existing service area boundary using existing facilities for a period of up to two years. See Appendix A for the City's CVP service area map.

In 2004, Reclamation approved two assignments to the City: (1) an assignment from The West Side Irrigation District for 2,500 acre-feet (AF) per year (AFY) with an option to purchase another 2,500 AFY (Contract No. 7-07-20-W0045-IR13-B) and (2) an assignment from Banta

Carbona Irrigation District for 5,000 AFY (Contract No. 14-06-200-4605A-IR13-B). The assignments from Banta Carbona Irrigation District and The West Side Irrigation District increased the City's CVP water supply from 10,000 AF to 17,500 AF and converted the use of these water supplies from agricultural to M&I. The conversions and assignments of these two contracts were previously analyzed under EA-01-063 and EA-01-064 and are hereby incorporated by reference (Reclamation 2003a, 2003b). The City exercised its right to purchase the remaining 2,500 AFY from The West Side Irrigation District during the term of the proposed interim renewal contract analyzed prior EAs. As the total amount (5,000 AFY) for the partial assignment from The West Side Irrigation District was previously analyzed under EA-01-064 and approved by Reclamation, that analyses will not be repeated in this EA.

Delta exports of CVP water for delivery under interim renewal contracts is an on-going action and the diversion of CVP waters for export to south-of-Delta contractors was described in the PEIS (see Chapter III of the PEIS). As the diversion of water for delivery under the interim renewal contract is an on-going action, this EA covers the environmental analysis of fulfilling Reclamation's obligation to renew interim renewal contracts pending execution of their long-term renewal contract. Renewal of the contracts is required by Reclamation Law, including the CVPIA, and continues the current use and allocation of resources by CVP contractors, within the framework of implementing the overall CVPIA programs.

Environmental reviews of CVP operations and other contract actions have been or are being conducted within the framework of the CVPIA PEIS. As discussed above, the long-term contract renewals for many CVP contractors both north and south of the Delta have already been executed following site-specific environmental review with a few, such as the contractors included in this EA, remaining to be completed. Water resources north of the Delta including the Trinity, Sacramento and American rivers are not analyzed in this EA. Several environmental documents and associated programs address north of Delta water resources including, but not limited to:

- The Bay Delta Conservation Plan that is being developed to provide the basis for the issuance of endangered species permits for the operation of the CVP and SWP. The Bay Delta Conservation Plan is a long-term conservation strategy that addresses species, habitat and water resources that drain to the Delta.
- The Trinity River Restoration Program was developed to restore the Trinity River as a viable fishery. The 2001 Trinity River ROD issued for the program specifies four modes of restoration including: flow management through releases from Lewiston Dam, construction of channel rehabilitation sites, augmentation of spawning gravels, control of fine sediments and infrastructure improvements to accommodate high flow releases.
- The CVP Conservation Program was formally established to address Reclamation's requirements under the ESA. Over 80 projects have been funded by the CVP Conservation Program since its beginning and more recent budgets are allowing for funding of seven to fourteen projects annually.
- The Habitat Restoration Program was established under Title 34 of the CVPIA to protect, restore, and mitigate for past fish and wildlife impacts of the CVP not already addressed by the CVPIA.
- The CVPIA PEIS (described above).

In addition, Reclamation is currently preparing environmental documentation pursuant to NEPA for the coordinated operation of the CVP and SWP as required by Court Order. The execution of interim renewal contracts does not affect the operation of the CVP or SWP as it maintains existing uses and does not affect the status quo.

1.4 Issues Related to CVP Water Use Not Analyzed

1.4.1 Contract Service Areas

No changes to any contractor's service area are included as a part of the alternatives or analyzed within this EA. Reclamation's approval of a request by a contractor to change its existing service area would be a separate discretionary action. Separate appropriate environmental compliance and documentation would be completed before Reclamation approves a land inclusion or exclusion to any contractor's service area.

1.4.2 Water Transfers and Exchanges

No sales, transfers, or exchanges of CVP water are included as part of the alternatives or analyzed within this EA. Reclamation's approvals of water sales, transfers, and exchanges are separate discretionary actions requiring separate additional and/or supplementary environmental compliance. Approval of these actions is independent of the execution of interim renewal contracts. Pursuant to Section 3405 of the CVPIA, transfers of CVP water require appropriate site-specific environmental compliance. Appropriate site-specific environmental compliance is also required for all CVP water exchanges.

1.4.3 Contract Assignments

Assignments of CVP contracts are not included as part of the alternatives or analyzed within this EA. Reclamation's approvals of any assignments of CVP contracts are separate, discretionary actions that require their own environmental compliance and documentation.

1.4.4 Warren Act Contracts

Warren Act contracts between Reclamation and water contractors for the conveyance of non-federal water through federal facilities or the storage of non-federal water in federal facilities are not included as a part of the alternatives or analyzed within this EA. Reclamation decisions to enter into Warren Act contracts are separate actions and independent of the execution of interim renewal contracts. Separate environmental compliance would be completed prior to Reclamation executing Warren Act contracts.

1.4.5 Purpose of Water Use

Use of contract water for M&I use under the proposed interim renewal contracts would not change from the purpose of use specified in the existing contracts. Any change in use for these contracts would be separate, discretionary actions that require their own environmental compliance and documentation.

Section 2 Alternatives Including the Proposed Action

The No Action Alternative and the Proposed Action include the execution of an interim renewal contract with the City. The interim renewal contract, contract entitlement, and purpose of use under both alternatives can be found in Table 1 below.

Table 1 Contract, Contract Entitlement and Purpose of Use

| Contractor | Contract number | Contract Quantity (acre-feet) | Purpose of Use |
|-----------------------|---------------------|-------------------------------|----------------|
| DELTA DIVISION | | | |
| City of Tracy | 14-06-200-7858A-IR2 | 20,000 | M&I only |

The City exercised its option to purchase the additional 2,500 AFY (see Section 1.3) from The West Side Irrigation District in 2013; the contract total following execution of the option is 20,000 AFY. For purposes of this EA, the following assumptions are made under each alternative:

- A. A two year interim renewal period is considered in the analysis, though contracts may be renewed for a shorter period.
- B. The contract would be renewed with existing contract quantities as reflected in Table 1;
- C. Reclamation would continue to comply with commitments made or requirements imposed by applicable environmental documents, such as existing biological opinions including any obligations imposed on Reclamation resulting from re-consultations; and
- D. Reclamation would implement its obligations resulting from Court Orders issued in actions challenging applicable biological opinions that take effect during the interim renewal period.

2.1 No Action Alternative

The No Action Alternative is the continued delivery of CVP water under the interim renewal of existing contracts which includes terms and conditions required by non-discretionary CVPIA provisions. The No Action Alternative, therefore, consists of the interim renewal of current water service contracts that were considered as part of the Preferred Alternative of the CVPIA PEIS (Reclamation 1999) adapted to apply for an interim period.

The CVPIA PEIS Preferred Alternative assumed that most contract provisions would be similar to many of the provisions in the 1997 CVP interim renewal contracts, which included contract terms and conditions consistent with applicable CVPIA requirements.

Section 3405(d) of the CVPIA requires tiered pricing to be included in contracts greater than three years in duration. Consequently, if at least 80 percent of the contract total is delivered in any year for contracts greater than three years, in such year incremental charges based on the 80/10/10 pricing structure would be collected and paid to the Restoration Fund.

2.1.1 Other Contract Provisions of Interest

Several applicable CVPIA provisions which were incorporated into the Preferred Alternative of the Final PEIS and which are included in the No Action Alternative include tiered water pricing, defining M&I water users, requiring water measurement, and requiring water conservation. These provisions were summarized in EA-07-56 (Reclamation 2007) and are incorporated by reference into this EA.

In addition, the No Action Alternative includes environmental commitments as described in the biological opinion for the CVPIA PEIS (USFWS 2000).

2.2 Proposed Action

The Proposed Action evaluated in this document is the execution of one interim renewal water service contract between the United States and the City. This is the same contract included under the No Action Alternative. The City is on its first interim renewal contract and the Proposed Action would be its second. The interim renewal contract will be released for public review between October and December 2015 at the following website: http://www.usbr.gov/mp/cvpia/3404c/lt_contracts/2015_int_cts/. In the event a long-term renewal contract for water service is executed, the interim renewal contract then-in-effect would be superseded by the long-term renewal contract.

No changes to the City's service area or water deliveries are part of the Proposed Action. CVP water deliveries under the proposed interim renewal contract can only be used within the City's designated contract service area (see Appendix A for service area map). The contract service area for the proposed interim renewal contract has not changed from the service area approved by Reclamation under the existing long-term water service contract or previous interim renewal contracts. If the City proposes to change the designated contract service area, separate environmental documentation and approval will be required.

CVP water could be delivered under the interim renewal contract in quantities up to the contract total, although it is likely that deliveries would be less than the contract total due to hydrologic, regulatory, and operational uncertainties.

The proposed interim renewal contract contains provision(s) that allow for adjustments resulting from court decisions, new laws, and from changes in regulatory requirements imposed through re-consultations. Accordingly, to the extent that additional restrictions are imposed on CVP operations to protect threatened or endangered species, those restrictions would be implemented in the administration of the interim renewal contract considered in this EA. As a result, by their express terms the interim renewal contract analyzed herein would conform to any applicable requirements lawfully imposed under the federal ESA or other applicable environmental laws.

2.2.1 Environmental Commitments

Reclamation and the City shall implement the environmental protection measures included in Table 2. Environmental consequences for resource areas assume the measures specified would be fully implemented.

Table 2 Environmental Protection Measures and Commitments

| Resource | Protection Measure |
|----------------------|---|
| Water Resources | CVP water may only be served within areas that are within the CVP Place of Use. |
| Biological Resources | No CVP water would be applied to native lands or lands untilled for three consecutive years or more without additional environmental analysis and approval. |
| Various | No new construction or modification of existing facilities would take place as part of the Proposed Action. |

2.2.2 Comparison of Alternative Differences

The primary difference between the Proposed Action and the No Action Alternative is that the Proposed Action does not include tiered pricing. Section 3405(d) of the CVPIA does not require tiered pricing to be included in contracts of three years or less in duration and negotiations between Reclamation and Delta Division, San Luis Unit, and San Felipe Division contractors concluded with a form of contract which does not include tiered pricing. Consequently, if at least 80 percent of the contract total is delivered in any year during the term of the interim renewal contracts, in such year no incremental charges for water in excess of 80 percent of the contract total would be collected and paid to the Restoration Fund. The terms and conditions under the Proposed Action is a continuation of the terms and conditions under the first executed interim renewal contract excepting minor administrative changes.

2.3 Alternatives Considered but Eliminated from Further Analysis

2.3.1 Non-Renewal of Contracts

Section 1(4) of the “Administration of Contracts under Section 9 of the Reclamation Project Act of 1939” dated July 2, 1956 provided for the rights of irrigation contractors to a stated quantity of the project yield for the duration of their contracts and any renewals thereof provided they complied with the terms and conditions of those contracts and Reclamation law. Section 2 of the “Renewal of Water Supply Contracts Act of June 21, 1963” provided the same for M&I contractors. Therefore, Reclamation does not have the discretionary authority to not renew CVP water service contracts. Reclamation law mandates renewals at existing contract amounts when the water is being beneficially used. The non-renewal alternative was considered, but eliminated from analysis in this EA because Reclamation has no discretion not to renew existing water service contracts as long as the contractors are in compliance with the provisions of their existing contracts.

2.3.2 Reduction in Interim Renewal Contract Water Quantities

Reduction of contract water quantities due to the current delivery constraints on the CVP system was considered in certain cases, but eliminated from the analysis of the interim renewal contracts for several reasons:

First, the Reclamation Project Act of 1956 and the Reclamation Project Act of 1963 mandate renewal of existing contract quantities when beneficially used. Irrigation and M&I uses are

beneficial uses recognized under federal Reclamation and California law. Reclamation has determined that the contractors have complied with contract terms and the requirements of applicable law. It also has performed water needs assessments for all the CVP contractors to identify the amount of water that could be beneficially used by each water service contractor. In the case of each interim renewal contractor, the contractor's water needs equaled or exceeded the current total contract quantity.

Second, the analysis of the PEIS resulted in selection of a Preferred Alternative that required contract renewal for the full contract quantities and took into account the balancing requirements of CVPIA (p. 25, PEIS ROD). The PEIS ROD acknowledged that contract quantities would remain the same while deliveries are expected to be reduced in order to implement the fish, wildlife, and habitat restoration goals of the Act, until actions under CVPIA 3408(j) to restore CVP yield are implemented (PEIS ROD, pages 26-27). Therefore, an alternative reducing contract quantities would not be consistent with the PEIS ROD and the balancing requirements of CVPIA.

Third, the shortage provision of the water service contract provides Reclamation with a mechanism for annual adjustments in contract supplies. The provision protects Reclamation from liability from the shortages in water allocations that exist due to drought, other physical constraints, and actions taken to meet legal or regulatory requirements. Reclamation has relied on the shortage provisions to reduce contract allocations to water service contractors in most years in order to comply with regulation requirements. Further, CVP operations and contract implementation, including determination of water available for delivery, is subject to the requirements of Biological Opinions issued under the federal ESA for those purposes. If contractual shortages result because of such requirements, the Contracting Officer has imposed them without liability under the contracts.

Fourth, retaining the full historic water quantities under contract provides the contractors with assurance the water would be made available in wet years and is necessary to support investments for local storage, water conservation improvements and capital repairs.

Therefore, an alternative reducing contract quantities would not be consistent with Reclamation law or the PEIS ROD, would be unnecessary to achieve the balancing requirements of CVPIA or to implement actions or measure that benefit fish and wildlife, and could impede efficient water use planning in those years when full contract quantities can be delivered.

Section 3 Affected Environment and Environmental Consequences

This section describes the service area for the City which receives CVP water from the Delta via the Delta-Mendota Canal. The study area, shown in Figure 1, includes a portion of San Joaquin County. The City's CVP service area map is included in Appendix A.

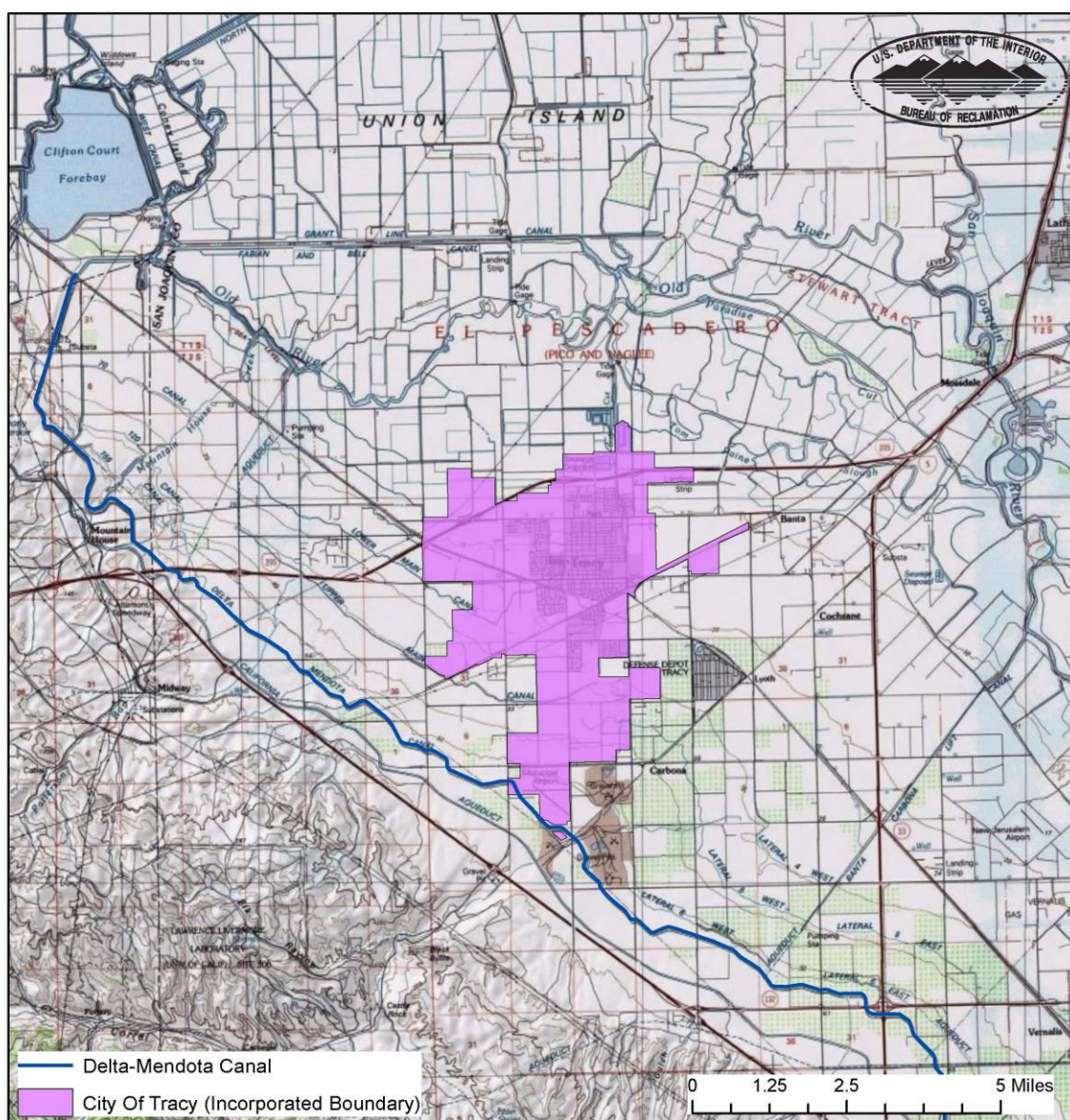


Figure 1 Proposed Action Area

3.1 Resources Eliminated from Further Analysis

Reclamation analyzed the affected environment and determined that the Proposed Action would not have the potential to cause direct, indirect, or cumulative adverse effects to the resources listed in Table 3.

Table 3 Resources Eliminated from Further Analysis

| Resource | Reason Eliminated |
|-------------------------|---|
| Land Use | The interim renewal contract for the City under either alternative would not provide for additional water supplies that could act as an incentive for conversion of native habitat. Use of contract water for M&I purposes under the proposed interim renewal contract would not change from the purpose of use specified in their existing contracts. Consequently, there would be no impacts to land use as a result of the Proposed Action or No Action alternative. |
| Cultural Resources | There would be no impacts to cultural resources under either alternative as conditions would remain. Both alternatives would facilitate the flow of water through existing facilities to existing users. No new construction or ground disturbing activities would occur as part of the Proposed Action. The pumping, conveyance, and storage of water would be confined to existing CVP facilities. Reclamation has determined that these activities have no potential to cause effects to historic properties pursuant to 36 CFR Part 800.3(a)(1). See Appendix B for Reclamation's determination. |
| Indian Sacred Sites | There would be no impact to Indian sacred sites under either alternative as conditions would remain the same and neither would limit access to or ceremonial use of Indian sacred sites on Federal lands by Indian religious practitioners or affect the physical integrity of such sacred sites. |
| Indian Trust Assets | No physical changes to existing facilities are proposed and no new facilities are proposed. Continued delivery of CVP water to the City would not affect any Indian Trust Assets because existing rights would not be affected; therefore, Reclamation has determined that the Proposed Action would not impact Indian Trust Assets. |
| Socioeconomic Resources | The proposed execution of an interim renewal contract with only minor administrative changes to the contract provisions would not result in a change in contract water quantities or a change in water use and would not adversely impact socioeconomic resources within the City's service area. |
| Environmental Justice | The proposed execution of an interim renewal contract with only minor administrative changes to the contract provisions would not result in a change in contract water quantities or a change in water use. The Proposed Action would not cause dislocation, changes in employment, or increase flood, drought, or disease. The Proposed Action would not disproportionately impact economically disadvantaged or minority populations as there would be no changes to existing conditions. |
| Air Quality | Neither the No Action nor Proposed Action alternative would require construction or modification of facilities to move CVP water to the City. CVP water would be moved via gravity and electric pumps along the Delta-Mendota Canal which would not produce emissions that impact air quality. The generating power plant that produces the electricity to operate the electric pumps does produce emissions that impact air quality; however, water under the Proposed Action is water that would be delivered from existing facilities under either alternative and is therefore part of the existing conditions. In addition, the generating power plant is required to operate under permits issued by the air quality control district. As the Proposed Action would not change the emissions generated at the generating power plant, no additional impacts to air quality would occur and a conformity analysis is not required pursuant to the Clean Air Act. |
| Global Climate Change | Neither the Proposed Action nor the No Action alternative would involve physical changes to the environment or construction activities that could impact global climate change. Generating power plants that produce electricity to operate the electric pumps produce carbon dioxide that could potentially contribute to greenhouse gas emissions; however, water under the Proposed Action is water that would be delivered from existing facilities under either alternative and is therefore part of the existing conditions. There would be no additional impacts to global climate change as a result of the Proposed Action. 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. |

| Resource | Reason Eliminated |
|----------|---|
| | 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. |

3.2 Water Resources

3.2.1 Affected Environment

Reclamation makes CVP water available to contractors for reasonable and beneficial uses, but this water is generally insufficient to meet all of the contractors' needs due to hydrologic conditions and/or regulatory constraints. In contractors' service areas, contractors without a sufficient CVP water supply may extract groundwater if pumping is feasible or negotiate water transfers with other contractors.

Water Delivery Criteria

The amount of CVP water available each year for contractors is based, among other considerations, on the storage of winter precipitation and the control of spring runoff in the Sacramento and San Joaquin River basins. Reclamation's delivery of CVP water diverted from these rivers is determined by state water right permits, judicial decisions, and state and federal obligations to maintain water quality, enhance environmental conditions, and prevent flooding. The CVPIA PEIS considered the effects of those obligations on CVP contractual water deliveries. Experience since completion of the CVPIA PEIS has indicated even more severe contractual shortages applicable to south-of-Delta water deliveries (Reclamation 1999), and this information has been incorporated into the modeling for the current CVP/SWP Coordinated Operations of the Delta (Reclamation 2004c).

Contractor Water Needs Assessment

In conjunction with CVP-wide contract renewals after issuance of the PEIS, a Water Needs Assessment was developed in order to identify the beneficial and efficient future water needs and demands for each interim renewal contractor projected, in most cases (including the contracts considered here), through 2025. Water demands were compared to available non-CVP water supplies to determine the need for CVP water. If the negative amount (unmet demand) was within 10 percent of the total supply for contracts greater than 15,000 AFY, or within 25 percent for contracts less than or equal to 15,000 AFY, the test of full future need of the water supplies under the contract was deemed to be met. Because the CVP was initially established as a supplemental water supply for areas with inadequate supplies, the needs for most contractors were at least equal to the CVP water service contract and frequently exceeded the previous contract amount. Increased total contract amounts were not included in the needs assessment because the CVPIA stated that Reclamation cannot increase contract supply quantities.

The Water Need Assessments did not consider the effects of additional constraints on the CVP's ability to deliver CVP water that were not evident at the time of the analysis. Many factors, including hydrologic conditions and implementation of federal and state laws have further constrained the CVP's ability to deliver water to its south-of-Delta water service contractors. Since the last Water Needs Assessment, CVP allocations have continued to decline as a

consequence of regulatory actions (including but not limited to the CVP/SWP Coordinated Operations biological opinions) and hydrologic conditions.

The City's water needs analysis, completed by Reclamation in May 2006, estimated that there would be no unmet demand for 2025 dependent on continuation of transfers from other water districts such as Banta Carbona Irrigation District and The West Side Irrigation District (see Appendix C).

City of Tracy

The City provides water service to its residents as well as to approximately 400 residents of the Larch-Clover County Services District and the unincorporated Patterson Business Park (City of Tracy 2011a). The City's water needs are met through surface water and groundwater from the following sources: CVP contracts, surface water from the South County Water Supply Program, and local groundwater. Historically, between 50 to 60 percent of the City's water needs were met with surface water and the remaining through groundwater (City of Tracy 2011a and 2011b). Between 2005 and 2012, surface water supplies ranged from 66 percent to 95 percent of total water supplies used within the City.

Since 2005, the City has received a supplemental supply from the Stanislaus River through the South County Water Supply Program, which is a cooperative effort of the South San Joaquin Irrigation District and the Cities of Manteca, Escalon, Lathrop, and Tracy.

The Tracy groundwater storage basin has been predicted to have a safe yield² of approximately 9,000 AFY; however, the City's long-term plans are to reduce the use of groundwater except for emergency and/or high peak demands (City of Tracy 2011b). The City predicts that all water demands, approximately 30,100 AFY in 2041, would be met or exceeded by their sources.

CVP Contracts On July 22, 1974 the City signed a long-term water service contract (Contract No. 14-06-200-7858A) with Reclamation for 10,000 AFY of CVP water from the Delta (Reclamation 1974), which expired December 31, 2013. In addition, as described in Section 1.3, Reclamation approved the partial assignments from Banta Carbona Irrigation District and The West Side Irrigation District to the City in 2004 for 5,000 AFY and 2,500 AFY, respectively (Reclamation 2006b and 2006c). The assignment from The West Side Irrigation District included an option for the City to purchase an additional 2,500 AFY for a contract total of 5,000 AFY. As described in Section 1.3, the total amount (5,000 AFY) being delivered to the City was previously analyzed in EA-01-064 and approved by Reclamation. The two assignments were combined with the City's main contract into one interim renewal contract in 2014 for a contract total of 20,000 AFY once the 2,500 AFY option is exercised. The Proposed Action would be the second interim renewal contract for the combined contracts.

CVP-Related Actions In 2012, Reclamation approved a long-term (through contract year 2035) groundwater banking program for up to 10,500 AFY of the City's available CVP water supplies within Semitropic Water Storage District (Agreement No. 7858A-WB-2011-1). This program

² Safe yield, or current perennial yield, is the maximum quantity of water that can be annually withdrawn from a groundwater basin over a long period of time (during which water supply conditions approximate average conditions) without developing an overdraft condition.

was analyzed in EA-09-164 (Reclamation 2009). As of August 2015, the City currently has 6,100 AF of water stored in Semitropic Water Storage District.

As a Delta Division contractor, the City receives its CVP supply from a turnout on the Delta-Mendota Canal. Because the CVP water is used for M&I purposes, it must be treated before delivery. The treatment process for the CVP supply consists of chemical oxidation, coagulation, flocculation, filtration, and chlorination. In addition, chloramines (the combination of chlorine and a small amount of ammonia) are used as the residual disinfectant in the water distribution system. The CVP water is transferred by pipeline to the water treatment plant and, after treatment, transferred by pipeline to M&I users.

3.2.2 Environmental Consequences

No Action

Contract provisions under the No Action alternative stipulate that a tiered pricing structure (80/10/10 tiered pricing) would be applied as tiered pricing is mandated under the water conservation section of the CVPIA for contracts of more than three years. The application of tiered pricing could adversely affect the City due to increased costs. However, the impact from tiered pricing would occur only when allocations are above 80 percent which has only occurred twice in the last 10 years (2005 and 2006). Therefore, any changes due to tiered pricing would likely be within the normal range of annual or seasonal variations.

Proposed Action

Impacts to water resources associated with the Proposed Action would be comparable to those described under the No Action Alternative although tiered pricing provisions are not included in the contract under the Proposed Action.

Execution of an interim renewal contract for the City would not change contract water quantities from the quantities in the existing interim renewal contract and would not lead to any increased water use beyond what was previously analyzed. In addition, as a requirement of the interim renewal contract, CVP water under the Proposed Action would be limited to areas within the City that were previously eligible to receive CVP water for M&I purposes under its current contract. The execution of an interim renewal contract delivering the same quantities of water that have historically been put to beneficial use would not result in any growth-inducing impacts. In addition, no substantial changes in growth due to the execution of these interim renewal contracts are expected to occur during the short timeframe of this renewal. Therefore, there would be no adverse effects to water resources as a result of the Proposed Action.

Cumulative Impacts

Cumulative impacts relating to diversion of water and CVP operations were considered in the CVPIA PEIS. Reclamation's action is the execution of interim renewal water service contract between the United States and the City under either the No Action Alternative or the Proposed Action. The City has an existing interim renewal contract as described above. It is likely that subsequent interim renewals would be needed in the future pending the execution of a long-term renewal contract. As both the Proposed Action and the No Action Alternative would, in essence, maintain the environmental status quo, i.e., the same amount of water would go to the same areas for the same uses (albeit under different legal arrangements), they do not contribute to cumulative impacts in any demonstrable manner.

3.3 Biological Resources

3.3.1 Affected Environment

The Proposed Action area includes where CVP water deliveries under the proposed interim renewal contract would be used, which consists of the City's designated contract service area (Appendix A). There are no changes to the City's service area or water deliveries associated with the Proposed Action.

Reclamation requested an official species list, for the Proposed Action area, from the USFWS via the Service's website, <http://ecos.fws.gov/ipac/>, on August 14, 2015 (Consultation Code: 08ESMF00-2015-SLI-1056). The California Department of Fish and Wildlife's California Natural Diversity Database (CNDDDB) was also queried for records of protected species near the Proposed Action area (CNDDDB 2015). The information collected above, in addition to information within Reclamation's files, was combined to determine the likelihood of protected species occurrence within the Proposed Action area (Table 5).

Table 4 Federally protected species within or near the City of Tracy Service Area

| Species | Status ¹ | Effects ² | Basis for Effects Determination ³ |
|---|---------------------|----------------------|---|
| AMPHIBIANS | | | |
| California red-legged frog (<i>Rana draytonii</i>) | T, X | NE | Absent. No individuals or habitat in area of effect. Designated critical habitat not within Proposed Action area. |
| California tiger salamander, (<i>Ambystoma californiense</i>) central CA DPS ⁴ | T, X | NE | Absent. No individuals or habitat in area of effect. Designated critical habitat not within Proposed Action area. |
| BIRDS | | | |
| Burrowing Owl (<i>Athene cunicularia</i>) | MBTA | NT | Present. Presumed extant in service area and habitat present. No construction of new facilities; no conversion of lands from existing uses. |
| Swainson's Hawk (<i>Buteo swainsoni</i>) | MBTA | NT | Possible. Presumed extant in service area during nesting season (from March 1 through September 15) and habitat present. No construction of new facilities; no conversion of lands from existing uses. |
| FISH | | | |
| Central Valley spring-run chinook salmon (<i>Oncorhynchus tshawytscha</i>) | T NMFS | NE | Absent. No natural waterways within the species' range will be affected by the proposed action. There will be no effect to Delta pumping. |
| Central Valley steelhead (<i>Oncorhynchus mykiss</i>) Northern CA DPS | T, X NMFS | NE | Absent. No natural waterways within the species' range will be affected by the proposed action. There will be no effect to Delta pumping. |
| Delta smelt (<i>Hypomesus transpacificus</i>) | T, X | NE | Absent. No natural waterways within the species' range will be affected by the proposed action. There will be no effect to Delta pumping. |
| Green sturgeon (<i>Acipenser medirostris</i>) | T, X NMFS | NE | Absent. No natural waterways within the species' range will be affected by the proposed action. There will be no effect to Delta pumping. |
| Winter-run chinook salmon, Sacramento River (<i>Oncorhynchus tshawytscha</i>) | E NMFS | NE | Absent. No natural waterways within the species' range will be affected by the proposed action. There will be no effect to Delta pumping. |
| INVERTEBRATES | | | |
| San Bruno Elfin butterfly (<i>Callophrys mossii bayensis</i>) | E | NE | Absent. No individuals or habitat in area of effect. No construction of new facilities; no conversion of lands from existing uses. |

| Species | Status ¹ | Effects ² | Basis for Effects Determination ³ |
|---|---------------------|----------------------|---|
| Valley elderberry longhorn beetle (<i>Desmocerus californicus dimorphus</i>) | T | NE | Unlikely. No records of this species within the Action Area. No construction of new facilities; no conversion of lands from existing uses. |
| Vernal pool fairy shrimp (<i>Branchinecta lynchi</i>) | T, X | NE | Absent. No individuals or vernal pools in area of effect. Proposed Action area not within designated critical habitat. |
| Vernal pool tadpole shrimp (<i>Lepidurus packardii</i>) | E | NE | Absent. No individuals or vernal pools in area of effect. |
| MAMMALS | | | |
| San Joaquin kit fox (<i>Vulpes macrotis mutica</i>) | E | NE | Present. Presumed extant in and around the City's service area, and habitat present. No construction of new facilities; no conversion of lands from existing uses. |
| PLANTS | | | |
| Large-flowered fiddleneck (<i>Amsinckia grandiflora</i>) | E, X | NE | Absent. No individuals or habitat in area of effect. Proposed Action area not within designated critical habitat. |
| REPTILES | | | |
| Giant garter snake (<i>Thamnophis gigas</i>) | T | NE | Absent. No individuals or habitat in area of effect. |
| ¹ Status= Listing of Federally special status species under the Endangered Species Act, unless otherwise specified. E: Listed as Endangered under the federal Endangered Species Act MBTA: Species protected under the Migratory Bird Treaty Act NMFS: Species under the Jurisdiction of the National Oceanic & Atmospheric Administration Fisheries Service. T: Listed as Threatened under the federal Endangered Species Act X: Critical habitat designated under the federal Endangered Species Act ² Effects = Effect determination NE: No Effect from the Proposed Action on federally-listed species NT: No Take would occur from the Proposed Action to migratory birds ³ Definition Of Occurrence Indicators Absent: Species not recorded in action area and/or habitat requirements not met Possible: Species and habitat recorded in action area but only during avian nesting season Present: Species and habitat recorded in action area and habitat present Unlikely: Species recorded in vicinity of action area but lands provide unsuitable habitat ⁴ DPS = distinct population segment | | | |

Critical Habitat and Special-status Species within the City's CVP Service Area

No proposed or designated critical habitat occurs within the City's service area, except for Delta smelt. Lands within the Action area are predominately urban development (City of Tracy 2011b). Few special-status species can use these lands except for the western burrowing owl, Swainson's hawk, and San Joaquin kit fox.

San Joaquin County Multi-Species Habitat Conservation and Open Space Plan

The San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (HCP) was adopted in 2001 (SJMSCP 2000). The HCP is intended to provide a strategy for conserving agricultural lands and wildlife habitat while accommodating population growth and property rights of individual landowners. The plan includes coverage of affects to foraging habitat for Swainson's hawk, burrowing owl and numerous other bird species, possible nesting habitat for burrowing owl, and possible foraging and dispersal habitat for San Joaquin kit fox, among others. The City is a participant of the HCP.

Documents Addressing Potential Impacts of Actions of the CVP (Other than the Proposed Action) to Listed Species

Coordinated Operations of the CVP and SWP The effects of CVP and SWP pumping on federally listed fishes and their critical habitat have been addressed by Biological Opinions issued to Reclamation for the Coordinated Long-Term Operations of the CVP and SWP (NMFS 2009, USFWS 2008). The biological opinion issued by the USFWS to Reclamation for the Coordinated Long-Term Operations of the CVP and SWP found that operations as proposed were likely to jeopardize the continued existence of delta smelt and adversely modify its critical habitat. The USFWS provided a Reasonable and Prudent Alternative (RPA) with five components. On December 15, 2008, Reclamation submitted a memo provisionally accepting the RPA. The memo also indicated that Reclamation would immediately begin implementing the RPA. The provisional acceptance of the RPA was conditioned upon the further development and evaluation of the two RPA components directed at aquatic habitats. Reclamation stated that the two RPA components, RPA Component 3 – the fall action, and RPA Component 4 – the tidal habitat restoration action, both need additional review and refinement before Reclamation would be able to determine whether implementation of these actions by the CVP and SWP is reasonable and prudent.

The biological opinion issued by NMFS determined that long term SWP and CVP operations were likely to jeopardize several species and result in adverse modification of their critical habitat. NMFS also developed an RPA and included it in the Biological Opinion. On June 4, 2009, Reclamation sent a provisional acceptance letter to NMFS, citing the need to further evaluate and develop many of the longer-term actions, but also stating that Reclamation would immediately begin implementing the near-term elements of the RPA.

Reclamation also consulted under the Magnusson-Stevens Fishery Conservation and Management Act with NMFS on the impacts to Essential Fish Habitat for Chinook salmon as a result of the pumping (NMFS 2009).

However, following their provisional acceptance, both biological opinions were subsequently challenged in Court, and following lengthy proceedings, the United States District Court for the Eastern District of California remanded the biological opinions, and Reclamation was ordered by the Court to comply with NEPA before accepting the RPAs. In March and December 2014, the Biological Opinions issued by the USFWS and NMFS, respectively, were upheld by the Ninth Circuit Court of Appeals, although certain requirements (such as an obligation for Reclamation to follow a NEPA process) were left in place. Reclamation is currently preparing environmental documentation to comply with the Court's decisions. In the meantime, Reclamation continues to comply with the existing biological opinions and current Court orders.

O&M Program for the South-Central California Area Office Reclamation consulted with the USFWS under the ESA for O&M activities occurring on Reclamation lands under the jurisdiction of the South-Central California Area Office. The USFWS issued a biological opinion on February 17, 2005 (USFWS 2005). The opinion considers the effects of routine O&M of Reclamation's facilities used to deliver water to the study area, as well as certain other facilities within the jurisdiction of the South-Central California Area Office, on California tiger salamander, vernal pool fairy shrimp, valley elderberry longhorn beetle, blunt-nosed leopard lizard, vernal pool tadpole shrimp, San Joaquin wooly-threads, California red-legged frog, giant

garter snake, San Joaquin kit fox, and on proposed critical habitat for the California red-legged frog and California tiger salamander.

3.3.2 Environmental Consequences

No Action

The No Action alternative is the renewal of existing contracts as required by non-discretionary CVPIA provisions addressed in the CVPIA PEIS. The No Action alternative would continue, for an interim period, water deliveries that accommodate current land uses pending execution of the City's long-term renewal contract. No construction of new facilities or modification of existing facilities would occur as water deliveries would be from existing infrastructure. No change in water diversions from the Delta would occur. The conditions of special-status wildlife species and habitats under the No Action Alternative would remain the same as they would be under existing conditions described in the Affected Environment. Therefore, there would be no impacts to biological resources since conditions would remain the same as existing conditions.

Proposed Action

Under the Proposed Action, conditions of special status species and habitats would be the same as current conditions described in the Affected Environment and under the No Action Alternative. Existing and future environmental commitments addressed in Biological Opinions, including the CVPIA Biological Opinion (USFWS 2000), and CVP/SWP Coordinated Operations (USFWS 2008, NMFS 2009), would continue to be met under the Proposed Action.

The Proposed Action would not result in any change in existing water diversions from the Delta nor would it require construction of new facilities or modification of existing facilities for water deliveries. The City's CVP water supply would continue to be used for M&I purposes within its existing CVP service area as shown in Appendix A. In addition, the City has confirmed that the water would be delivered to existing urban development, through existing facilities, as has been done under the existing contract, and would not be used for land conversion (Personal communication with S. Bayley, City of Tracy). As the action is only for up to two years, the City would not be able to rely on this water to plan or implement additional expansion of homes or businesses. As with the No Action alternative, there would be no impacts to biological resources since conditions would remain the same as existing conditions. Therefore, Reclamation has determined that there would be *No Effect* to species and critical habitat for the Proposed Action under the jurisdiction of USFWS and NMFS beyond those previously covered under the ESA on the CVP/SWP Coordinated Operations (USFWS 2008, NMFS 2009) and Operation and Maintenance Program (USFWS 2005).

Cumulative Impacts

The Proposed Action, when added to other past, present, and reasonably foreseeable future actions, represent a continuation of existing conditions which are unlikely to result in cumulative impacts on the biological resources of the study area. The Proposed Action obligates the delivery of the same contractual amount of water to the same lands without the need for additional facility modifications or construction.

The Proposed Action occurs within the context of implementation of the CVPIA by the United States Department of the Interior, including Reclamation and USFWS. Reclamation and the

USFWS explained the CVPIA in a report entitled *CVPIA, 10 Years of Progress* (Reclamation 2002b), as follows:

The CVPIA has redefined the purposes of the CVP to include the protection, restoration, and enhancement of fish, wildlife, and associated habitats; and to contribute to the State of California's interim and long-term efforts to protect the San Francisco Bay/Sacramento-San Joaquin River Delta Estuary. Overall, the CVPIA seeks to "achieve a reasonable balance among competing demands for use of [CVP] water, including the requirements of fish and wildlife, and agricultural, municipal and industrial, and power contractors."

Finally, as explained above, the Proposed Action would be subject to regulatory constraints imposed pursuant to the ESA, regardless of whether those constraints exist today. Consequently, there would be no cumulative adverse impacts as a result of the Proposed Action.

Section 4 Consultation and Coordination

4.1 Public Review Period

Reclamation will provide the public with an opportunity to comment on the Draft FONSI and Draft EA during a 30-day public review period.

THIS PAGE LEFT INTENTIONALLY BLANK

Section 5 Preparers and Reviewers

Molly Burns, Natural Resource Specialist, SCCAO

Rain L. Emerson, M.S., Supervisory Natural Resources Specialist, SCCAO

Jennifer L. Lewis, Wildlife Biologist, SCCAO

Kevin Palmer, Architectural Historian, MP-153

Cathy James, Repayment Specialist, SCCAO – reviewer

David E. Hyatt, Resources Management Division Chief, SCCAO – reviewer

THIS PAGE LEFT INTENTIONALLY BLANK

Section 6 References

Bureau of Reclamation (Reclamation). 1974. City of Tracy Long-term Contract. Contract 14-06-200-7858A. Mid-Pacific Region South-Central California Area Office. Fresno, California

Bureau of Reclamation (Reclamation). 1994. Interim Renewal Contracts Final Environmental Assessment. Mid-Pacific Region Regional Office. Sacramento, California.

Bureau of Reclamation (Reclamation). 1998. Finding Of No Significant Impact And Supplemental Environmental Assessment for the Renewal of 54 Interim Water Service Contracts through February 29, 2000. Mid-Pacific Region Regional Office. Sacramento, California.

Bureau of Reclamation (Reclamation). 1999. Central Valley Project Improvement Act, Final Programmatic Environmental Impact Statement and Record of Decision. Mid-Pacific Region South-Central California Area Office. Fresno, California.

Bureau of Reclamation (Reclamation). 2000a. Final Supplemental Environmental Assessment for the Renewal of 54 Interim Water Service Contracts through February 28, 2001, Central Valley Project, California. Mid-Pacific Region Regional Office. Sacramento, California.

Bureau of Reclamation (Reclamation). 2000b. Draft Biological Opinion on Operation of the CVP and Implementation of the CVPIA. Mid-Pacific Region South-Central California Area Office. Fresno, California. Available at <http://www.usbr.gov/mp/cvpia/>.

Bureau of Reclamation (Reclamation). 2001. Supplemental Environmental Assessment for the 2001 Renewal of Interim Water Service Contracts Through February 29, 2002, Central Valley Project. Mid-Pacific Region Regional Office. Sacramento, California.

Bureau of Reclamation (Reclamation). 2002a. Supplemental Environmental Assessment for the 2002 Renewal of Interim Water Service Contracts Through February 29, 2004, Central Valley Project, California. Mid-Pacific Region Regional Office. Sacramento, California.

Bureau of Reclamation (Reclamation). 2002c. Central Valley Project Improvement Act: 10 Years of Progress. Mid-Pacific Region Regional Office. Sacramento, California.

Bureau of Reclamation (Reclamation). 2003a. Final Environmental Assessment and Finding of No Significant Impact (EA-01-63). Banta Carbona Irrigation District/City of Tracy Water Assignment Project (Contract No. 14-06-200-4305A). Mid-Pacific Region South-Central California Area Office. Fresno, California.

Bureau of Reclamation (Reclamation). 2003b. Final Environmental Assessment and Finding of No Significant Impact (EA-01-64). West Side Irrigation District/City of Tracy Water

Assignment Project (Contract No. 7-07-20-W0045). Mid-Pacific Region South-Central California Area Office. Fresno, California.

Bureau of Reclamation (Reclamation). 2004a. Supplemental Environmental Assessment for the 2004 Renewal of Interim Water Service Contracts Through February 28, 2006, Central Valley Project, California. Mid-Pacific Regional Office. Sacramento, California.

Bureau of Reclamation (Reclamation). 2004b. Sacramento River Settlement Contractors Environmental Impact Statement (Final Report). Mid-Pacific Region Northern California Area Office. Shasta Lake, California and Mid-Pacific Region South Central California Area Office. Fresno, California.

Bureau of Reclamation (Reclamation). 2004c. Long-Term Central Valley Project Operations Criteria and Plan, CVP-OCAP. Sacramento, California. Website:
http://www.usbr.gov/mp/cvo/ocap/OCAP_6_30_04.pdf.

Bureau of Reclamation (Reclamation). 2005a. Delta-Mendota Canal Unit Environmental Assessment for Long-term Contract Renewal. Mid-Pacific Region South Central California Area Office. Fresno, California.

Bureau of Reclamation (Reclamation). 2005b. Revised Environmental Assessment for Renewal of the Long-term Contract for the Feather Water District, Central Valley Project, California. Mid-Pacific Region Northern California Area Office. Shasta Lake, California.

Bureau of Reclamation (Reclamation). 2005c. Final Environmental Assessment for the Long term Contract Renewal Shasta Division and Trinity River Divisions. Mid-Pacific Region Northern California Area Office. Shasta Lake, California.

Bureau of Reclamation (Reclamation). 2005d. Final Environmental Assessment for Long-term Renewal of Water Service Contracts in the Black Butte Unit, Corning Canal Unit, and Tehama-Colusa Canal Unit of the Sacramento River Division, Central Valley Project. Mid-Pacific Region Northern California Area Office. Shasta Lake, California.

Bureau of Reclamation (Reclamation). 2005e. Final Environmental Assessment for U.S. Department of Veterans affairs, San Joaquin Valley National Cemetery, Central Valley Project, Long-term Water Service Contract Renewal. Mid-Pacific Region South Central California Area Office. Fresno, California.

Bureau of Reclamation (Reclamation). 2005f. Final Environmental Assessment for Long-term Renewal Contract, Contra Costa Water District, Contra Costa Unit, Central Valley Project. Mid-Pacific Region South Central California Area Office. Fresno, California.

Bureau of Reclamation (Reclamation). 2005g. Long-term Central Valley Project Water Service Contract Renewals, American River Division Environmental Impact Statement. Mid-Pacific Region Central California Area Office. Folsom, California.

Bureau of Reclamation (Reclamation). 2006. Supplemental Environmental Assessment for the 2006 Renewal of Interim Water Service Contracts Through February 29, 2008, Central Valley Project, California. Mid-Pacific Regional Office. Sacramento, California.

Reclamation. 2006b. Interim Renewal Contract between the United States and the City of Tracy providing for project water service. Contract No. 14-06-200-4305A-IR9-B. Mid-Pacific Region South-Central California Area Office. Fresno, California.

Reclamation. 2006c. Interim Renewal Contract between the United States and the City of Tracy providing for project water service. Contract No. 7-07-20-W0045-IR9-B. Mid-Pacific Region South-Central California Area Office. Fresno, California.

Bureau of Reclamation (Reclamation). 2007. Final Environmental Assessment for the San Luis Unit Water Service Interim Renewal Contracts (EA-07-56). Central Valley Project, California. Mid-Pacific Region South-Central California Area Office. Fresno, California.

Bureau of Reclamation (Reclamation). 2008. Environmental Assessment for the 2008 Renewal of Interim Water Service Contracts through February 28, 2010 (EA-07-75). Central Valley Project, California. Mid-Pacific Region South-Central California Area Office. Fresno, California.

Bureau of Reclamation (Reclamation). 2009. City of Tracy Long-term Central Valley Project Water Groundwater Banking with Semitropic Water Storage District (EA-09-164). Mid-Pacific Region South-Central California Area Office. Fresno, California.

Bureau of Reclamation (Reclamation). 2010. San Luis Unit Water Service Interim Renewal Contracts 2010-2013 (EA-09-101). Central Valley Project, California. Mid-Pacific Region South-Central California Area Office. Fresno, California.

Bureau of Reclamation (Reclamation). 2012. Three Delta Division and Five San Luis Unit Water Service Interim Renewal Contracts 2012-2014 (EA-11-049). Central Valley Project, California. Mid-Pacific Region South-Central California Area Office. Fresno, California.

Bureau of Reclamation (Reclamation). 2014. Central Valley Project Water Service Interim Renewal Contract for the City of Tracy 2014-2016 (EA-13-022). Central Valley Project, California. Mid-Pacific Region South-Central California Area Office. Fresno, California.

California Natural Diversity Database (CNDDDB). 2015. California Department of Fish and Wildlife. Biogeographic Data Branch, Monthly CNDDDB Data Download. Sacramento, California. Retrieved from http://www.dfg.ca.gov/biogeodata/cndddb/rf_ftpinfo.asp. August 2015 update.

City of Tracy. 2011a. Tracy Municipal Service Review. Prepared by the City of Tracy for San Joaquin LAFCo. December 1, 2011.

City of Tracy. 2011b. City of Tracy General Plan. Prepared by the City of Tracy. February 1, 2011. Website: <http://www.ci.tracy.ca.us/?navid=562>.

National Marine Fisheries Service (NMFS). 2009. Final biological opinion and conference opinion on the long-term operations of the Central Valley Project and State Water Project. June 4, 2009.

San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP). 2000. San Joaquin County, November 14, 2000. 513 pp. without appendices.

U.S. Fish and Wildlife Service (USFWS). 2000. Biological Opinion on Implementation of the CVPIA and Continued Operation and Maintenance of the CVP (1-1-01-1-0311). Sacramento Fish and Wildlife Office, California.

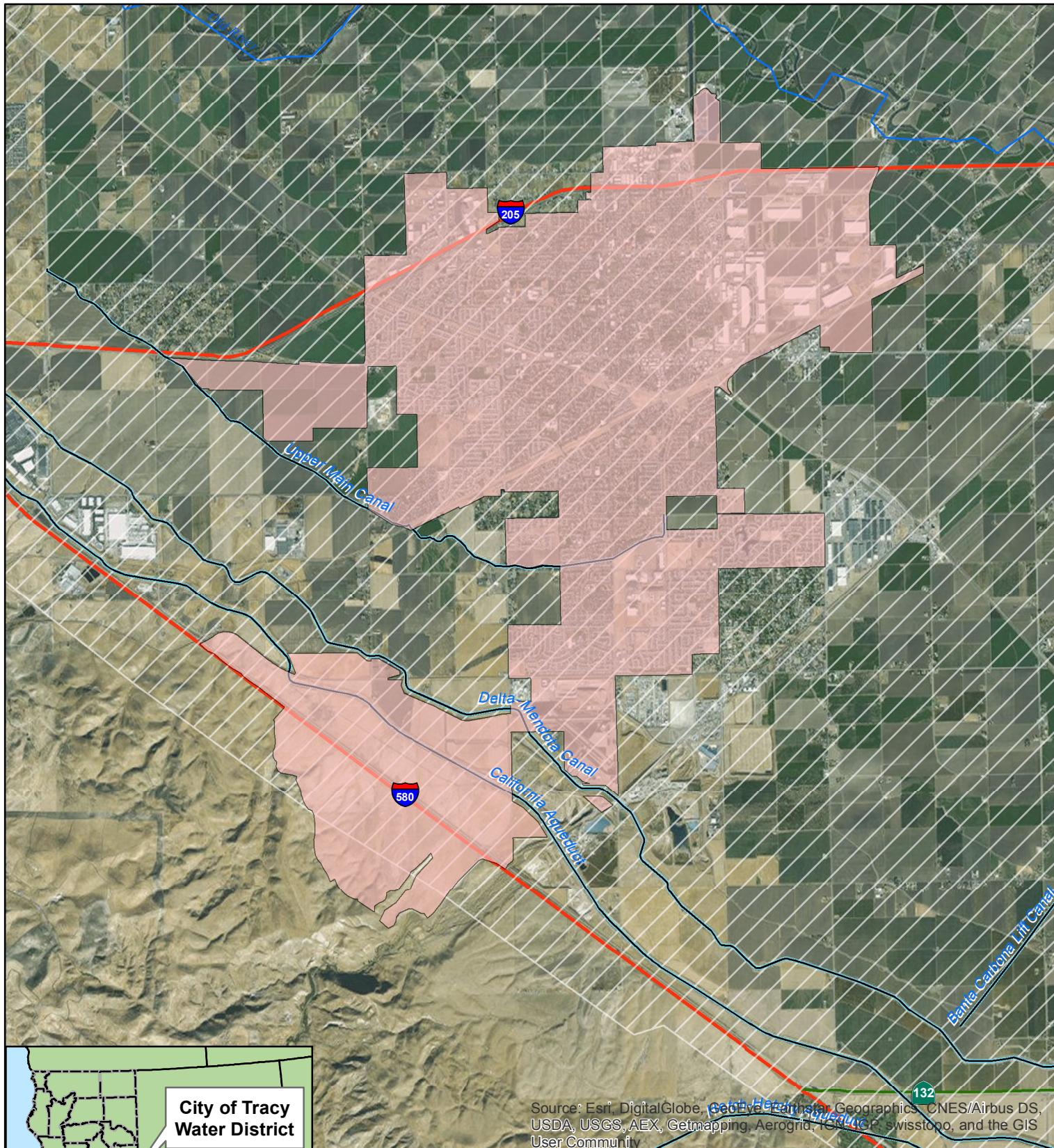
U.S. Fish and Wildlife Service (USFWS). 2005. Formal Endangered Species Consultation on the Operations and Maintenance Program Occurring on Bureau of Reclamation Lands within the South-Central California Area Office (1-1-04-0368). Sacramento Fish and Wildlife Office, California.

U.S. Fish and Wildlife Service (USFWS). 2008. Formal Endangered Species Act consultation on the coordinated operations of the Central Valley Project and State Water Project (81420-2008-F-1481-5). December 15, 2008.

U.S. Fish and Wildlife Service (USFWS). 2015. Endangered Species Lists (Consultation Code: 08ESMF00-2015-SLI-1056). Website: <http://ecos.fws.gov/ipac/>. Accessed: August 14, 2015.

Appendix A

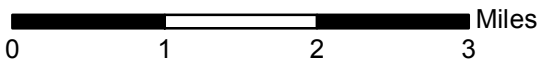
City of Tracy's CVP Service Area Map



Proposed Action Area

Project Tracking No: 15-021

Scale: 1:80,000



Legend

- City of Tracy Water District
- Place of Use
- Canals
- Rivers



Appendix B

Reclamation's Cultural Resources Determination

CULTURAL RESOURCES COMPLIANCE
Mid-Pacific Region
Division of Environmental Affairs
Cultural Resources Branch (MP-153)

MP-153 Tracking Number: 15-SCAO-209

Project Name: Central Valley Project Interim Renewal Contract for the City of Tracy 2016-2018

NEPA Document: EA-15-021

NEPA Contact: Rain Emerson, Supervisory Natural Resources Specialist

MP-153 Cultural Resources Reviewer: Kevin (Lex) Palmer, Architectural Historian

Date: July 6, 2015

Reclamation proposes to renew interim contracts needed to provide the mechanism for the continued use of the water developed and managed by the Central Valley Project (CVP) long-term water service contracts for Delta Division contractors which included the City of Tracy (City). In accordance with and as required by Section 3404(c) of the Central Valley Project Improvement Act (CVPIA), Reclamation proposes to execute one Delta Division interim renewal contract with the City beginning March 1, 2016. When a new long-term renewal contract for water service is executed, the interim renewal contract then-in-effect would be superseded by the long-term renewal contract.

No new construction or modification of existing facilities or ground disturbance will occur as a result of the proposed action. The water transfers using existing facilities with no proposed changes is the type of activity that does not have the potential to cause effects on historic properties. Therefore, Reclamation has no further obligations under Section 106 implementing regulations at 36 CFR Part 800.3(a)(1) of the National Historic Preservation Act (NHPA) (54 U.S.C. § 306108). The proposed action would result in no impacts to cultural resources.

This document conveys the completion of the cultural resources review and NHPA Section 106 process for this undertaking. Please retain a copy with the administrative record for this action. Should the proposed action change, additional review under Section 106, possibly including consultation with the State Historic Preservation Officer, may be required.

Appendix C

City of Tracy's Water Needs Assessment

TRACY, CITY OF

Contractor ID: 202135

Water Needs Assessment

Delta

Contractor's Water Supply Sources and Quantities (acre-feet)

Date: 5/25/2006 9:12:41

| Timeframe 1 | Surface Water Supply | | | | | | | Groundwater Supply | | | | Total Supply 13 |
|----------------|----------------------------|------------------------------|----------|------------|-------------------|---------------------------------|--------------------|--------------------|---------------|---------------------|----------------|-----------------------|
| | Reference Delivery 2 | USBR Total Deliv/Max 3 | SWP 4 | Local 5 | Local Source 6 | Trsf / Rtm / Recycle In 7 | Trsf / Out 8 | District 9 | Private 10 | Safe Yield 11 | Recharge 12 | |
| 1995 | 10,000 * | 0 | 0 | 0 | | 0 | 0 | 5,000 | 0 | | 0 | 5,000 |
| 2025 | 10,000 * | 10,000 * | 0 | 0 | | 32,500 | 0 | 5,000 | 0 | | 0 | 47,500 |

Contractor's Agricultural Water Demands

Maximum Productive Acres: 3,962

| Timeframe 1 | Crop Water Requirement (acre-feet) 15 | District Irrig. Efficiency (%) 16 | Effective Precip (acre-feet) 17 | Reference Effective Precip (acre-ft) 18 | Calculated Net Crop Water Req (acre-feet) 19 | USBR Net Crop Water Req (acre-feet) 20 | Average Irrigated Acres (acres) 21 | Reference Irrigated Acres (acres) 22 | Calculated FDR (AF/acre) 23 | USBR FDR (AF/acre) 24 | Conveyance Loss (acre-feet) 25 | Total Ag Demand (acre-feet) 26 |
|----------------|--|---|--|---|--|--|--|--|--------------------------------------|--------------------------------|---|---|
| 1995 | | | | | | | | | | | | |
| 2025 | | | | | | | | | | | | |

Contractor's M&I Water Demands

| Timeframe 1 | Residential Water Demand | | | Nonresidential Water Demand | | | Loss | Ref Urban Per Capita Dmd (gpcd) 35 | Calc Urban Per Capita Dmd (gpcd) 36 | Total M&I Demand (acre-feet) 37 | Total Ag + M&I Dmd (acre-feet) 38 | Unmet Demand (acre-feet) 39 |
|----------------|--------------------------|--------------------------------------|--------------------------------------|---------------------------------|--|--------------------------------------|---|---|--|--|--|--------------------------------------|
| | Population 28 | Per Capita Demand (gpcd) 29 | Total Demand (acre-feet) 30 | Industrial (acre-feet) 31 | Comm / Instit. (acre-feet) 32 | Total Demand (acre-feet) 33 | Unacc. / Distr. (acre-feet) 34 | | | | | |
| 1995 | 46,000 | 242.3 | 12,487 | 0 | 0 | 0 | 0 | 301.0 | 242.3 | 12,487 | 12,487 | 7,487 |
| 2025 | 160,000 | 256.7 | 46,000 | 0 | 0 | 0 | 0 | 269.0 | 256.7 | 46,000 | 46,000 | -1,500 |

* Represents Maximum Contract Amount

Notes: In 2025, transfers in = 10,000 ac-ft (So. San Joaquin ID), 3,000 ac-ft (Widren), 5,000 ac-ft (Banta Carbona), 5,000 ac-ft (The West Side) and 9,500 ac-ft (Plain View). Many of these transfers are uncertain.