

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION**

MID-PACIFIC REGION

**SOUTH-CENTRAL CALIFORNIA AREA OFFICE
FRESNO, CALIFORNIA**

Draft

FINDING OF NO SIGNIFICANT IMPACT

SAN LUIS UNIT WATER SERVICE INTERIM RENEWAL CONTRACTS

(City of Coalinga)

**Central Valley Project
Sacramento, California**

FONSI-07-56

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San Luis Unit Water Service Interim Renewal Contracts

In accordance with section 102(2)(c) of the National Environmental Policy Act (NEPA) of 1969, as amended, the South-Central California Area Office of the U.S. Bureau of Reclamation (Reclamation), has determined that the interim renewal of the City of Coalinga's (Coalinga) M&I San Luis Unit water service contract for a period of twenty-six months is not a major federal action that would significantly affect the quality of the human environment and an environmental impact statement is not required. This Finding of No Significant Impact is supported by Reclamation's Draft Environmental Assessment (EA) Number EA-07-56, "*San Luis Unit Water Service Interim Renewal Contracts – 2008 – 2011*", and is hereby incorporated by reference.

BACKGROUND

Section 3404(c)(1) of the Central Valley Project Improvement Act (CVPIA) stipulates that Reclamation must prepare appropriate environmental review for renewal of existing long-term water service contracts. In accordance with Section 3404(c)(1), water contracts may initially be renewed for an interim period not to exceed three years and for successive interim periods not to exceed two years prior to execution of new long-term contracts. Because Coalinga's existing long-term contract will expire December 31, 2008 before a long-term contract can be executed, this action is needed to provide continued water delivery to Coalinga.

The Proposed Action is the execution of Coalinga's interim renewal contract with the United States, for 26 months with contract provisions as negotiated between Reclamation and Coalinga. Coalinga's interim contract would be renewed for the period of January 1, 2009 through February 28, 2011. The negotiated San Luis Unit form draft interim renewal contract can be found in Appendix A of the EA. The 10,000 acre-feet of water available to Coalinga under the contract will remain the same as in the existing long-term contract.

The Proposed Action is the continued delivery of Central Valley Project (CVP) water under the interim renewal of Coalinga's existing contract which includes terms and conditions required by non-discretionary CVPIA provisions. The Proposed Action contains provisions consistent with interim renewal of current water service contracts as analyzed as part of the Preferred Alternative of the CVPIA Programmatic Environmental Impact Statement (PEIS) adapted for an interim period but without implementation of tiered pricing. (Section 3405(d) of the CVPIA does not require tiered pricing to be included in contracts of 3 years or less in duration and negotiations concluded with a form of contract which does not include tiered pricing.)

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. In addition, provisions in the existing long term contracts that are specific to the San Luis Unit contracts regarding operation and maintenance of certain facilities and drainage service under the San Luis Act have been incorporated into the Proposed Action with some negotiated changes.

The Proposed Action also includes the definition of Municipal & Industrial (M&I) Water requiring Coalinga to consider all parcels five acres or smaller as an M&I use unless Reclamation certifies otherwise.

Reclamation's finding that implementation of the proposed action will result in no significant impact to the quality of the human environment is supported by the following factors:

FINDINGS

Water Resources: Execution of Coalinga's interim renewal contract will not change contract water quantities from the quantities in the existing contracts, and will not lead to any increased water use. Therefore, there will be no effect on surface water supplies or quality. Since water quantities and deliveries will not change there will not be a shift to groundwater due to contract renewal. Therefore, there also will be no effect on groundwater supplies or quality.

Land Use: The interim renewal of Coalinga's contract will not provide for additional water supplies that could act as an incentive for conversion of native habitat for increased acreage of agricultural production, municipal and industrial development, or other activities. Use of contract water for municipal/industrial (M&I) use under the proposed interim contract will not change from the purpose of use specified in Coalinga's existing contract. The amount and types of crops planted will vary according to the annual water allocation and farming practices, and a small quantity of irrigation use may be changed to M&I purposes where the existing contract and governing laws and regulations allow but will be unaffected by the Proposed Action. Likewise, Coalinga's interim renewal contract will not change contract terms or conditions governing the allocation of project water during a drought emergency, so would not provide additional water reliability. Given the 26 month period of Coalinga's interim renewal contract, there will be no effect on land use.

Biological Resources: The amount and timing of storage at CVP reservoirs and flows in rivers and streams that convey CVP water during the 26 month contract period are expected to be similar to the amount and timing of storage and flows under historic CVP operations and will conform with all existing biological opinions and with regulatory requirements. Renewal of the interim contracts will not cause changes in existing programs to protect biological resources, and programs will continue to be implemented to ensure that no significant impacts to biological resources will occur.

Reclamation has completed consultation with the U.S. Fish and Wildlife Service on these interim renewal contract actions. The result of that Endangered Species Act Section 7 consultation, along with implementation of all applicable requirements, ensure that renewal of interim contracts will not result in any significant effect to threatened or endangered species. Reclamation has determined that these interim renewal actions will have no effect upon listed salmonid and sturgeon species within San Luis Unit's service area boundaries. Additionally, Reclamation has determined that these interim renewal actions will have no effects to designated salmonid critical habitat within the SLU service area.

Cultural Resources: The proposed action will not cause activities such as permanent changes in reservoir elevations, development of native habitat for agricultural or M&I use, or the construction of any new facilities, that could affect cultural resources, National Register listed or eligible historic properties, or Indian Sacred Sites. No impacts to cultural resources or Indian Sacred Sites are expected.

Indian Trust Assets: No physical changes to existing facilities are proposed and no new facilities are proposed. Continued delivery of project water to Coalinga under an interim renewal contract will not affect any Indian Trust Assets because existing rights will not be affected.

Recreation Resources: The Proposed Action will not cause changes in historic CVP operations that determine reservoir storage or the amount or timing of water deliveries. Therefore, no impacts to recreational resources are anticipated.

Socioeconomic Resources: The renewal of interim CVP contracts will not cause changes from existing contracts in deliveries or pricing of CVP water, CVP facilities operations, CVP power generation and use, or recreation use, and will therefore not cause economic impacts.

Environmental Justice: The Proposed Action will not cause changes in historical water supplies or CVP operations and, as a result, no changes in population, economics, or other indicators of social well being will result from the contract renewal. The Proposed Action will support continued agricultural production and therefore will not cause changes to employment of minority and low-income populations. The Proposed Action will not result in a disproportionately high or adverse health or environmental effect on minority populations or low-income populations. There are no environmental justice implications from the Proposed Action.

Cumulative Impacts: The Proposed Action, when added to other past, present, and future actions does not result in additional diversions of water, or significantly impact biological, cultural, recreation or socioeconomic resources. Neither Indian Trust Assets nor disadvantaged or minority populations would be impacted. Water quality would not be degraded as a result of construction activities. Overall there would be no cumulative impacts due to this Proposed Action.