

RECLAMATION

Managing Water in the West

DRAFT FINDING OF NO SIGNIFICANT IMPACT

Central Valley Project Cross Valley Contractors Interim Renewal Contracts and Article 5 Exchanges, 2012-2014

FONSI-11-011

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Introduction

In accordance with section 102(2)(c) of the National Environmental Policy Act of 1969, as amended, the South-Central California Area Office of the Bureau of Reclamation (Reclamation), has determined that the execution of up to eight interim renewal contracts (IRC) for the Cross Valley (CV) Central Valley Project (CVP) contractors and approval for Article 5 exchanges other water districts is not a major federal action that will significantly affect the quality of the human environment and an Environmental Impact Statement is not required. This Draft Finding of No Significant Impact (FONSI) is supported by Reclamation's Draft Environmental Assessment (EA) number EA-11-011, *Central Valley Project Cross Valley Contractors Interim Renewal Contracts and Article 5 Exchanges, 2012-2014*, which is hereby incorporated by reference.

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

Background

Beginning in 1975, the first CV contractor(s) entered into three-party contracts with Reclamation and the California Department of Water Resources (DWR). Pursuant to these contracts, Reclamation provided long-term water service and DWR provided conveyance for the CV contractors. IRC for the CV contractors have been undertaken consistent with the authority of the Central Valley Project Improvement Act (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.

Although the CV contractors are situated on the eastside of the San Joaquin Valley (SJV) amongst the Friant Division CVP contractors (who receive their CVP supplies stored in Millerton Lake via the Friant-Kern Canal), the CV contractors' CVP water is pumped from the Delta by the DWR and/or Reclamation. Reclamation may store the water in San Luis Reservoir and convey it in the San Luis Canal (SLC)/California Aqueduct for delivery to the CV contractor(s). Due to direct conveyance hurdles, Reclamation envisioned that the CV contractors would obtain their CVP supplies via exchanges. The exchange arrangements are set forth in Article 5 of the CV contractor's water service contract.

The CV contractors are seven CVP contractors located on the east side of the San Joaquin Valley in Fresno, Kern, Tulare and Kings counties. These water districts are referred to as the CV contractors because of their use of the Cross Valley Canal to obtain their water supplies from the Sacramento-San Joaquin River Delta. The CV contractors are: County of Fresno, Hills Valley Irrigation District, Kern-Tulare Water District, Lower Tule River Irrigation District, Pixley Irrigation District, Tri-Valley Water District and County of Tulare. Table 1 below shows each CV contractor's respective CVP contract entitlement.

The existing IRC and Article 5 exchanges are set to expire on February 29, 2012, and need to be renewed in order to continue providing water service to the CV contractors. Each of the IRC

will be renewed for up to two years, beginning in March 1, 2012, and the Article 5 exchanges will be in effect concurrently with the IRCs.

The proposal to execute up to eight IRC with the CV contractors includes terms and conditions required by non-discretionary CVPIA provisions and are consistent with the Preferred Alternative of the CVPIA Programmatic Environmental Impact Statement (PEIS). The contract provisions of the Proposed Action have been adapted for an interim period, and exclude 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 concluded with a form of contract which does not include tiered pricing).

Table 1.

Contractor	Contract Quantity (AF/y)	Purpose of Use	Water Shortage Reliability	Existing IRC #	Expiration Date
Fresno, County of	3,000	Agriculture and M&I	Agriculture	14-06-200-8292A-IR13	2/29/2012
Hills Valley Irrigation District	3,346	Agriculture and M&I	Agriculture	14-06-200-8466A-IR13	2/29/2012
Kern-Tulare Water District (KTWD)*	40,000	Agriculture and M&I	Agriculture	14-06-200-8601A-IR13	2/29/2012
Kern-Tulare Water District (Rag Gulch Water District)*	13,300	Agriculture and M&I	Agriculture	14-06-200-8367A-IR13	2/29/2012
Lower Tule River Irrigation District	31,102	Agriculture and M&I	Agriculture	14-06-200-8237A-IR13	2/29/2012
Pixley Irrigation District	31,102	Agriculture and M&I	Agriculture	14-06-200-8238A-IR13	2/29/2012
Tri-Valley Water District	1,142	Agriculture and M&I	Agriculture	14-06-200-8565A-IR13	2/29/2012
Tulare, County of	5,308	Agriculture and M&I	Agriculture	14-06-200-8293A-IR13	2/29/2012
Total	128,300				
* KTWD and Rag Gulch Water District have consolidated their two districts into one district, under KTWD's name through a contract assignment of Rag Gulch Water District's IRC to KTWD. However, KTWD would be issued two IRC's – one as KTWD IRC (for 40,000 AF), and one as Rag Gulch Water District's assigned IRC (for 13,300 AF). As part of that assignment, KTWD has committed to maintain the effective separation of the two districts in terms of how much water is delivered and applied where, until the long-term water service contracts are negotiated and appropriate environmental compliance is completed.					

Findings

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

Water Resources

The operation and maintenance of the CVP and State Water Project (SWP) were addressed in the CVPIA PEIS and corresponding Programmatic Biological Opinion (PBO) for the continued long-term operation of the CVP and SWP, which included the entire 128,300 acre-feet per year (AF/y) of the CV contractors' water supplies. This water was assumed to be pumped and conveyed each year for deliveries via exchanges to the CV contractors. The Proposed Action will not result in significant impacts to diversion from the Delta or pumping and conveying this water beyond those already addressed in the CVPIA PEIS and PBO for the continued long-term operation of the CVP and SWP.

Renewal of the IRC with only minor administrative changes to the contract provisions will not result in a change in contract water quantities or a change in water use. Water delivery during the IRC period will not exceed historic quantities. The renewal of interim contracts delivering the same quantities of water that have historically been put to beneficial use will not result in any growth-inducing impacts. In addition, no substantial changes in growth are expected to occur during the short timeframe of this renewal.

At the time of approval, the water involved (up to 128,300 AF/y) in the exchanges are supplies already allocated and no additional water supplies would be diverted from rivers, lakes, or other waterways. Delivery of the CV contractors' water supplies will utilize existing facilities and occur within the capacities and operations of the facilities involved. No new construction or modifications to facilities will be required. Utilization of SWP and CVP facilities, the CVC, and other facilities will be scheduled and coordinated with the overseeing agency to ensure that the normal operations of those facilities will not be adversely impacted.

The untimely delivery of the CV contractors' water could result in the exchange partners receiving the water when its value is low. This same amount of water could be of much higher value at such time the water is exchanged back to the CV contractors due to timing and demands. Therefore, the CV contractors are seeking to enter into exchange arrangements that will benefit the potential exchange partners in order to obtain water at a reasonable price for the CV contractors' landowners. In lieu of paying a higher price for the water when it is exchanged to the CV contractors, the exchange arrangements commonly allow for an imbalanced exchange of the CV contractors' water supplies to compensate for the value of the water when it is delivered. The exchange arrangements are developed between willing buyers and sellers with mutually agreeable terms. Under the Proposed Action, the CV contractors could receive less water than their full contract supply and allocation. However, receiving a reduced amount of water versus supplies outside of the growing season will provide better use and management of this water. This reduction will not result in significant impacts to the CV contractors since their water supplies are intermittent and unreliable.

The CV contractors strive to provide surface water at affordable prices to discourage groundwater pumping. The Proposed Action will reduce groundwater pumping, thus providing short-term relief to groundwater quality and quantity within Kern County. The Proposed Action will provide an increase of water to areas suitable for groundwater recharge providing an improvement of managing available water supplies and overall benefit to the region-wide overdraft conditions until the water is extracted in dry years.

The Proposed Action will not result in significant impacts to third parties, water quality, quantity, groundwater resources, flows or temperature. In addition, the exchange arrangements will not interfere with deliveries to other water purveyors or meeting minimum flow requirements for both the SWP and CVP. Therefore, the Proposed Action will not result in significant impacts to overall water resources.

Land Use

Land use within the CV contractors' service areas will not change under the Proposed Action. The CV contractors will receive and use their water during the irrigation season to maintain

cropland production. Although it is possible the exchange partners could potentially receive an increase of water as a result of imbalanced exchanges, this will occur only in years when DWR has a window of opportunity to pump this water or when Article 55 conveyance arrangements are utilized. Due to the unreliability and unavailability of this water, the Proposed Action will not lead to long-term land use changes. The water supplies are variable and do not provide a reliable or consistent amount for landowners to make long-term land use changes. No native grasslands or shrub land will be tilled or cultivated. Water will be delivered to established croplands and used for irrigation purposes on lands irrigated within the last three years or for existing municipal and industrial uses. The exchanges will occur within existing facilities and will not require any new construction or modifications to existing facilities. Therefore, the Proposed Action will have no significant impacts to land use.

Biological Resources

The aspect of the Proposed Action that has the greatest environmental concern is the potentially unbalanced nature of the Article 5 exchanges, which could result in either a temporary or permanent net amount of water being delivered to the participating Friant CVP or non-CVP contractors. The non-CVP contractors are not covered by the CVPIA PBO or the Long-Term Contract Renewal Opinion (LTCR Opinion). However, all exchanges other than Arvin-Edison Water Storage District, including the non-CVP contractors, would be required to sign off on all the environmental commitments for the Proposed Action in order for the Contracting Officer to approve any individual proposed exchange. The 128,300 AF/y of water that will be involved in the exchanges are supplies already allocated to the CV contractors and no additional water supplies will be diverted from rivers or lakes.

With the IRC, the CV contractors remain subject to the previous commitments in the CVPIA PBO and the LTCR Opinion, as noted in Section 1.5 of the EA. Due to their compliance with those commitments and the short-term nature of the action, this part of the Proposed Action may affect, but is not likely to adversely affect Federally listed species and critical habitat under Section 7 of the Endangered Species Act.

Cultural Resources

The Proposed Action will allow for the delivery of water through existing conveyance to CV contractors who have previously received water. Similarly, actions carried out under Article 5 exchanges would utilize existing facilities. There will be no modifications to existing facilities and construction of new facilities. Land use changes and/or conversions are not a part of the Proposed Action. As a result, there will be no potential to affect historic properties pursuant to 36 CFR Part 800.3(a)(1). Since no historic properties will be affected, the Proposed Action will not impact cultural resources.

Indian Trust Assets (ITA)

The Proposed Action involves existing facilities to convey water and will not include modifications or new construction of facilities. Therefore, the Proposed Action does not have the potential to affect ITA.

Indian Sacred Sites

The Proposed Action involves conveying water within existing facilities to established agricultural lands. No construction or modifications of facilities will be required. As a result,

the Proposed Action will not affect Indian sacred sites and/or prohibit access to and ceremonial use of this resource.

Socioeconomic Resources

The Proposed Action will allow for improved water deliveries to the CV contractors when it is needed during the growing season and maintain the stability of the agricultural market and economical vitality for the San Joaquin Valley to a certain degree. The Proposed Action will result in improved water management and could reduce purchases of more expensive water supplies by the CV contractors. The Proposed Action could maintain costs for water through the imbalanced exchange scenario since the amount of water is small and will not contribute to changes in water prices. There will be no significant impacts to socioeconomic resources.

Environmental Justice

The Proposed Action will result in the preservation of jobs for minority or disadvantaged populations within the CV contractors' service areas. The same amount of water will be made available for croplands within the SJV as has historically occurred. Managing existing water supplies will continue as in the past including decisions to purchase other supplies, pumping groundwater, planting or growing less water intensive types of crops or fallowing lands. No farm lands will be permanently taken out of agricultural production. Any actions that maintain seasonal jobs within the CV contractors' service areas should be considered beneficial to minority and disadvantaged populations.

Air Quality

Under the Proposed Action, the movement of water will be done via gravity flow and/or pumped using electric motors which have no emissions. The air quality emissions from electrical power have been considered in environmental documentation for the generating power plant. There are no emissions from electrical motors and therefore a conformity analysis is not required under the Clean Air Act and there will be no impact on air quality.

Global Climate

It is likely the CV contractors will seek the least costly exchanges by conveying water shorter distances resulting in less power usage. The amount of power needed to convey 128,300 AF/y of water is small when compared to the overall water supplies and power used each year to move water where it is needed. CVP power is currently not used for exchanges occurring under Article 55 of the SWP. GHG generated by the Proposed Action is expected to be extremely small compared to other sources contributing to potential climate change since the delivery of water will be conveyed mostly via gravity and little, if any, additional pumping from electric motors will be required. While any increase in GHG emissions will add to the global inventory of gases that could contribute to global climate change, the Proposed Action will result in minimal increases in GHG emissions and a net increase in GHG emissions among the pool of GHG will not be detectable.

It is possible that climate change could affect the Proposed Action rather than vice versa; however, it will be difficult measure/define the impact(s), if any. As noted in the affected environment, operations of the CVP are flexible to coincide with hydrologic conditions.

Therefore, effects related to changes in the global climate will not result in adverse impacts to the Proposed Action.

Cumulative Impacts

The Proposed Action was found to have no impacts to cultural resources, ITA, Indian sacred sites, and socioeconomics. The Proposed Action, when added to other known and reasonably foreseeable actions does not contribute to cumulative adverse impacts to existing environmental conditions. Slight beneficial impacts to environmental justice will be within the historical variations and will not contribute to cumulative impacts. The Proposed Action will not result in significant impacts to these resources when taking into consideration other similar and future actions.

Habitat loss and degradation affecting animals and plants occurs within the action area and is projected to continue to affect special-status species in the southern San Joaquin Valley. However, actions taken by Reclamation, in concert with protections afforded by regional conservation plans such as the Metropolitan Bakersfield Habitat Conservation Plan and the Kern Water Bank Habitat Conservation Plan/Natural Community Conservation Plan, ameliorate such adverse effects and play a key role in achieving the goal of maintaining and preserving special-status species and their habitats. The Proposed Action will not contribute to cumulative significant impacts to biological resources.

The Proposed Action will utilize gravity and/or electric motors to water, which have no emissions. Therefore, when taking into consideration other similar actions, no significant cumulative impacts to air quality are expected. GHG impacts are considered to be cumulative impacts. The Proposed Action, when added to other known and reasonably foreseeable actions, will not contribute to significant cumulative impacts to global climate change owing to the threshold magnitude of GHG emissions requirement for reporting.

The reservoirs, rivers and creeks in the lower SJV associated with the Proposed Action are managed for flood control and agricultural supplies. Diversions of water occur based on the hydrological and environmental conditions. During wet seasons and high water flows, surplus water supplies are released and, if possible, marketed to quickly disperse this water to avoid flooding and damage downstream in the rivers. The Proposed Action will not contribute to or interfere with flood control management and operations. In addition, imbalanced exchanges will not increase or decrease the availability of flood water nor inhibit or contribute to decisions to accept or reject this source of water. The Proposed Action will not interfere with deliveries, operations or cause significant adverse changes to the rivers, creeks or conveyance facilities associated with the SWP or CVP. The conveyance facilities and river systems in the lower SJV are interconnected and allow for a myriad of transfers, exchanges, contract assignments, banking projects, and conveyances of water via Warren Act contracts, Operational Contracts or Article 55 of the SWP. The conveyance of water under these water service options are subject to available capacity, meeting primary requirements, and environmental reviews. Therefore, the Proposed Action will not result in significant cumulative impacts to overall water resources.

Various economical forces are driving factors for land use changes from agricultural to urban uses. These changes are long-term and require approvals from the Local Area Formation

Committee, changes in City or County General Plans and undergo appropriate environmental reviews. Changes in the CVP contractors' boundaries and service areas undergo environmental review and approval by Reclamation. Reclamation does not have land use change approval authority; however, Reclamation must determine whether boundary change requests would result in inconsistency with the Reclamation Reform Act, water rights permits or other laws and regulations. Therefore, the Proposed Action will not result in significant cumulative impacts to land use.