

**Finding of No Significant Impact
WCAO-GJ-FONSI-12-02**

**Minnesota Canal and Reservoir Company
Piping Project 2012-2014**

September 2012

United States Department of the Interior
Bureau of Reclamation
Western Colorado Area Office
Grand Junction, Colorado

FINDING OF NO SIGNIFICANT IMPACT

MINNESOTA CANAL AND RESERVOIR COMPANY PIPING PROJECT 2012-2014

In accordance with the National Environmental Policy Act of 1969, as amended, and the Council on Environmental Quality's Regulations for implementing the procedural provisions of the National Environmental Policy Act (40 CFR Part 1500-1508), the Bureau of Reclamation (Reclamation) has prepared an Environmental Assessment (EA) for Minnesota Canal and Reservoir Company Piping Project 2012-2014 near Paonia, Colorado. The EA assesses a No Action and Proposed Action Alternative. Based on the following, Reclamation has determined that the proposed action with implemented mitigation measures will not result in a significant impact on the human environment.

Background

Reclamation is working with the U.S. Department of Agriculture and the Bureau of Land Management (BLM) in the Colorado River Basin Salinity Control Program to implement many salinity control projects on the Colorado River. The program's overall goal is to cost-effectively reduce the amount of salinity in the Colorado River.

Reclamation's Basinwide Salinity Control Program opened the program to competition through a 'Funding Opportunity Announcement' process which has greatly reduced the cost of salinity control. New salinity control projects are funded by a one-time grant that is limited to the sponsor's competitive bid. Once constructed, the facilities are owned, operated, maintained, and replaced by the sponsors at their own expense.

Minnesota Canal and Reservoir Company

The Minnesota Canal and Reservoir Company (MCRC) of Paonia, Colorado is a private, non-profit, mutually funded irrigation company that manages several miles of water conveyance ditches, canals, and reservoirs in Delta County, Colorado. One of the canals managed by the MCRC is the Minnesota Canal. The Canal diverts water from Minnesota Creek east of Paonia to irrigate agricultural lands west and southwest of the point of diversion. A small portion (approximately 2,000 feet) of the Minnesota Canal crosses BLM administered lands. The remaining 5.2 miles of the

Minnesota Canal proposed for piping segment are located on private lands. The Minnesota Canal and Minnesota Extension total approximately 9.3 miles in length.

Purpose and Need

The Colorado River and its tributaries provide municipal and industrial water to about 27 million people and irrigation water to nearly four million acres of land in the United States. The river also serves about 2.3 million people and 500,000 acres in Mexico. The threat of salinity is a major concern in both the United States and Mexico. Salinity affects agricultural, municipal, and industrial water users.

In June 1974, Congress enacted the Colorado River Basin Salinity Control Act, Public Law 93-320, which directed the Secretary of the Interior to proceed with a program to enhance and protect the quality of water available in the Colorado River for use in the United States and Republic of Mexico. In October 1984, Congress amended the original act by passing Public Law 98-569 to address wildlife habitat issues.

Public Law 104-20 of July 28, 1995, authorizes the Secretary of the Interior, acting through the Bureau of Reclamation, to implement a basinwide salinity control program. The Secretary may carry out the purposes of this legislation directly, or make grants, enter into contracts, memoranda of agreement, commitments for grants, cooperative agreements, or advances of funds to non-federal entities under such terms and conditions as the Secretary may require.

Scoping/Public Involvement

Reclamation's scoping was primarily limited to MCRC, U.S. Fish and Wildlife Service, Colorado Parks and Wildlife, Colorado Water Conservation Board, and the Colorado Historic Preservation Officer. A draft EA was prepared and distributed on July 3, 2012 to eleven local, state and federal agencies and organizations, and thirty-four property owners adjacent in the project area. In addition, MCRC representatives met with property owners within the project area to develop the project's final alignment and negotiate and obtain easements for construction.

Comments on the draft EA were received from the Bureau of Land Management (BLM) and Colorado Parks and Wildlife (CPW). BLM comments focused on lands administered by BLM, while CPW comments focused on wildlife habitat. All comments have been addressed in the final EA.

No Action Alternative

Under the No Action Alternative, Reclamation would not provide funding to MCRC to pipe the Minnesota Canal. Seepage from the canal would continue to contribute to salt loading in the Gunnison and Colorado rivers. Riparian and wetland habitats associated with the Minnesota Canal would likely remain in place and continue to provide some benefits to local wildlife.

Proposed Action Alternative

Under the Proposed Action, Reclamation will provide funding to MCRC to pipe approximately 5.2 miles of the Minnesota Canal. A majority of the proposed pipeline will follow the current earthen canal alignment. The project also includes modifications to the diversion structure on Minnesota Creek including an automated gated and coanda screen. Approximately 4,380 ft of the existing canal will be eliminated with construction of an inverted siphon across Dry Gulch. When pipe installation is complete, removal of all irrigation structures (headgates, drops, etc.) and refilling the abandoned canal prism with soil is required.

It is anticipated that implementation of the project will result in a total annual reduction of 3,263 tons of salt in the Colorado River.

Summary of Findings

Reclamation conducted an analysis on a wide range of environmental criteria for the No Action and Proposed Action alternatives.

The No Action Alternative does not meet the purpose and need as described above.

Under the proposed action, Reclamation will approve funding of the salinity control project for the MCRC Piping Project 2012-2014 which includes the replacement of approximately 5.2 miles of existing earthen canal with pipe. The Proposed Action is predicted to have no effect on Indian trust assets, environmental justice, recreation, and visual resources. Details of predicted impacts (both beneficial and negative) for other resources are discussed in greater detail below.

Water Rights and Uses—The Proposed Action would provide for improved system management; however, no changes in water uses are anticipated. Water rights would not be affected.

Water Quality—Implementation of the project is predicted to result in improved water quality. The off-farm improvements included in the Proposed Action are estimated to reduce 3,263 tons of salt annually in the Colorado River. Improvements would also reduce selenium loading in the Gunnison River. However, these benefits have not been calculated.

Vegetation and Land Use—An estimated 13.25 acres of wetland and riparian vegetation supported by irrigation canal seepage is predicted to be impacted by the Proposed Action. These vegetation types are classified as non-jurisdictional wetlands and therefore not subject to Section 404 of the Clean Water Act. However, habitat values associated with the losses of these vegetation types were classified and are subject to fish and wildlife habitat replacement. Estimated habitat values lost as a result of the Proposed Action are 11.2 habitat units.

Temporary disturbances within the footprint of the pipeline would also occur during construction. The existing canal and laterals will be dewatered and modified so that they no longer transport irrigation water. Pipeline alignments and construction footprints would be

revegetated subject to the easement and agreements between MCRC and individual land owners. MCRC will limit the construction footprint within BLM managed lands to the existing canal prism and access road which incorporate a width of approximately 30 feet.

Fish and Wildlife Resources— Upland wildlife habitat impacted by the Proposed Action would likely result in minor temporarily impacts to wildlife species within the Project Area. Local wildlife may avoid using portions of the project area because of temporary disturbances due to pipeline construction. However, these impacts should be short-term in duration. A total of 13.25 acres riparian and wetland habitats adjacent to the existing canal would be directly impacted and would affect those species dependent on these habitat types. Habitat evaluations estimated 11.2 fish and wildlife habitat units would be lost under the Proposed Action. However, the development of replacement habitat would mitigate impacts to wildlife and comply with requirement of the Colorado River Basin Salinity Control Act to replace fish and wildlife values foregone. MCRC is currently working with the Town of Paonia to develop a habitat replacement along the North Fork of the Gunnison River.

In addition, improved water quality would likely benefit downstream aquatic species (amphibians and fish) by reducing salt and selenium loading in the North Fork, Gunnison, and Colorado rivers.

Threatened and Endangered Species—There have been no documented occurrences of any federally threatened, endangered, or candidate species within the project area. In addition, biological surveys conducted by Reclamation found no suitable habitat for federally listed species.

Reclamation consulted with the Fish and Wildlife Service regarding impacts to downstream endangered fishes. In memorandum dated August 10, 2012, the Fish and Wildlife Service concluded that the Proposed Action meets the criteria to rely on the Gunnison Basin Programmatic Biological Opinion (PBO) to offset depletion impacts and is not likely to jeopardize the continued existence of the species and is not likely to destroy or adversely modify designated critical habitat. A “Gunnison River Recovery Agreement” was entered into on August 10, 2012 between the Fish and Wildlife Service and MCRC as required by the Gunnison PBO.

Cultural Resources—The Proposed Action will directly impact site 5DT1593 which is the Minnesota Canal. Avoidance of the resource is not feasible; the Proposed Action will result in an adverse effect to the canal. To mitigate adverse effects, Reclamation, BLM, MCRC, and the Colorado State Historic Preservation Officer entered into a Memorandum of Agreement. The agreement stipulates that Level I Documentation, as described in *Historic Resource Documentation, Standards for Level I, II, and III Documentation*, of the Minnesota Canal is appropriate to mitigate the adverse effects of the Proposed Action.

Environmental Commitments

The following environmental commitments will be implemented as an integral part of the Proposed Action. Environmental commitments include:

1. Construction Activities confined to the surveyed corridor-All construction activities would be confined to within 150 feet of the surveyed pipeline alignment and construction staging areas. Construction activities outside of this corridor would require additional review by Reclamation to determine if the existing surveys and information are adequate to evaluate additional impacts outside this corridor. If additional borrow or waste areas are identified, the areas will be inventoried, surveyed and evaluated prior to use. Additional NEPA/ESA compliance activities may be required if determined by Reclamation.
2. Public Lands- MCRC will limit the construction footprint within BLM managed lands to the existing canal prism and access road which incorporates a width of approximately 30 feet. Due to the topography and vicinity of the county road, the area of disturbance to the public land is narrower than other, more typical sections of the canal. MCRC will obtain any required approvals from BLM prior to construction.
3. Disturbed Areas- During construction, topsoil (if present) would be saved and then redistributed after completion of construction activities. All disturbed areas would be smoothed, shaped, contoured and reseeded to as near their pre-project conditions as practicable. Seeding and planting would occur at appropriate times with weed-free seed mixes as per landowner specifications. The BLM provided MCRC with a recommended dryland seed mix for disturbed areas that do not receive irrigation water.
4. Water Quality-Best Management Practices (BMPs) would be implemented to minimize erosion and protect water quality. BMPs are described in greater detail in the Water Quality section of the final EA. In the event that dewatering during construction is needed, MCRC or its contractor would obtain required CWA Section 402 permits prior to dewatering. BMPs include:
 - Silt curtains, cofferdams, dikes, straw bales, or other suitable erosion control measures will be used to prevent erosion from entering water bodies during construction.
 - Concrete pours will occur in forms and/or behind cofferdams to prevent discharge into waterway. Any wastewater from concrete-batching, vehicle wash down, and aggregate processing will be contained and treated or removed for off-site disposal.
 - Fuels, lubricants, hydraulic fluids, and other petrochemicals will be stored and dispensed in an approved staging area. Equipment will be inspected daily for petrochemical leaks. Construction equipment will be parked, stored, and serviced only at an approved staging area.
 - An oil spill response plan will be prepared for area of work where spilled contaminants could flow into water bodies. All employee and workers, including those under separate contract, will be briefed and made familiar with this plan. The plan will be developed prior to initiation of construction.

An oil spill response kit, which includes appropriate-sized spill blankets, shall be easily accessible and onsite at all time.

- Onsite supervisors and equipment operators will be trained and knowledgeable in the use of spill containment equipment.
- Appropriate federal and Colorado authorities will be immediately notified in the event of any contaminant spill.

5. Irrigation Facilities and Structures-Pursuant to the Cooperative Agreement between MCRC and Reclamation (Co Ag. No. 09-FC-40-2856), MCRC will permanently dewater, remove from irrigation service, and render incapable of irrigation water delivery the Minnesota Canal. The proposed pipeline, including new division boxes, will be placed along the existing canal and backfilled appropriately. MCRC will remove all existing irrigation structures (headgates, drops, etc.) and refill the abandoned canal prism along Dry Gulch with soil.
6. Vegetation Resources-Ground disturbances would be limited to only those necessary to safely implement the Proposed Action. Best Management Practices to reduce disturbances to vegetation resources reduces the amount of planting or reseeding needed. Planting and reseeding disturbed areas, per landowner specifications, monitoring plantings to ensure establishment, control noxious weeds in disturbed areas, and the use of accepted erosion control measures during construction are all incorporated as environmental commitments for the proposed action. The seed mixture listed in Section 3.4 of the final EA or other BLM approved seed mix shall be used to reseed BLM administered lands.
7. Noxious Weeds-Noxious weeds shall be controlled following the Delta County Weed Management Plan and BLM guidelines. A copy of the County Plan is attached as Appendix E to the final EA. MCRC or its contractor shall also contact the BLM Uncompahgre Field Office regarding additional permitting for herbicide applications on BLM administered lands.
8. Fish and Wildlife Resources- Construction areas would be confined to the smallest feasible area to limit disturbance to wildlife within the Project Area. Open pipeline trenches left overnight would be kept to a minimum to reduce potential entrainment of small animals and public safety problems. Construction holes or pipeline trenches left open overnight shall be covered or include exit ramps at least every ¼ mile to allow entrapped animals to escape. Covers shall be secured in place and shall be strong enough to prevent livestock or wildlife from falling through.

To protect wintering deer and elk herds, construction activities upstream of Dry Gulch Road would be limited between December 15th and March 31 on private lands. In some cases during drier and later winters, construction activities may continue later into January with the concurrence of CPW. The BLM's Resource Management Plan requires that no surface disturbing activities can occur from December 1st through April 30th on the BLM administered land to protect wintering big game. Exceptions or variances to this restriction will be considered and evaluated according to BLM's Uncompahgre Field Office policies.

9. Habitat Replacement-Development and/or enhancement to replace the predicted 11.2 fish and wildlife habitat units lost under the proposed action are required under the Colorado River Salinity Control Act. MCRC is responsible for developing and implementing Reclamation approved wildlife habitat replacement plan to replace fish and wildlife values foregone as required by the Salinity Control Act. Habitat replacement will be implemented concurrently with installation of the pipelines. At the request of MCRC, Reclamation staff will assist in developing potential habitat replacement, however the responsibly for habitat replacement is MCRC's. MCRC is working with the Town of Paonia to develop a habitat replacement plan on Town owned property adjacent to the North Fork. Additional NEPA, ESA, and Historic Preservation Act compliance may be needed to implement the habitat replacement plan. Failure to develop and implement concurrent habitat replacement may result in delays in obligating funding under the Cooperative Agreement.
10. Federally Listed Species - MCRC is entered into a recovery agreement with the Fish and Wildlife Service to incorporate its historic depletions under the umbrella of the Gunnison Basin Biological Opinion. A draft recovery agreement is included in Appendix C of the final EA. In the event that threatened or endangered species are encountered during construction, MCRC shall stop construction activities until Reclamation has completed consultation with the Fish and Wildlife Service to ensure that adequate measure are in place to avoid or reduce impacts to the species.
11. Cultural Resources - Reclamation, MCRC and the Colorado State Historic Preservation Office (SHPO) will enter into a Memorandum of Agreement to mitigate the Proposed Action's adverse effects to cultural resources. The MOA will commit to historic resource documentation of the Minnesota Canal (5DT1780) recording prior to construction activities in accordance with the guidance for Level 1 documentation found in "Historic Resource Documentation, Standards for Level I, II and III Documentation" (COAHP 2007). The Level I documentation will include a narrative that synthesizes the existing documentation on the properties and describes the properties in the context of the development and history of the Minnesota Canal System. The report shall be submitted to the SPHO within one year of the execution of the MOA. A draft of the MOA is included in Appendix D. In the event that cultural and/or paleontological resources are discovered during construction, MCRC shall stop construction activities until Reclamation has completed consultation with the SHPO and appropriate measures are implemented to protect or mitigate the discovered resource.
12. Hazardous Materials - During construction, the use, storage and disposal of hazardous waste materials and wastes on-site will be managed in accordance with all federal, state, and local standards.

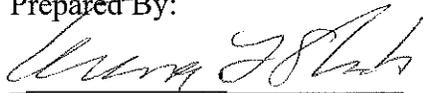
Conclusions

Based on a review of comments received, analysis of environmental impacts, and coordination with the Fish & Wildlife Service under the Endangered Species Act, Reclamation concludes that implementation of the Minnesota Canal and Reservoir Company Piping Project 2012-14 with

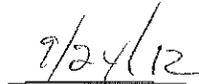
implementation of the above described mitigation, will not have significant impact on the quality of the human environment or the natural resources in the project area.

This Finding of No Significant Impact has, therefore, been prepared and is submitted to document environmental review and evaluation of the proposed action in compliance with the National Environmental Policy Act of 1969, as amended.

Prepared By:



Terence L. Stroh, Chief
Environmental and Planning Group

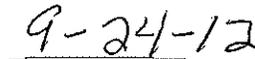


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Reviewed By:



Stephen McCall, Environmental Protection Specialist

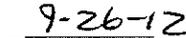


Date

Approved By:



Ed Warner, Area Manager
Western Colorado Area Office



Date