

**SUPPLEMENTAL ENVIRONMENTAL ASSESSMENT
FOR THE CITY OF LINDSAY
FRIANT DIVISION
40-YEAR LONG-TERM CONTRACT RENEWAL**

FINAL

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BACKGROUND

The US Bureau of Reclamation (Reclamation) is renewing 40-year contracts to Central Valley Project (CVP) contractors with Municipal and Industrial (M&I) supplies. The City of Lindsay (Lindsay) is eligible for a 40-year term water service contract. Lindsay is located in Tulare County, California, and is within the Friant Division. Lindsay's original long-term water service contract (No. 5-07-20-W0428) does not expire until 2025. However, the Central Valley Project Improvement Act (CVPIA) provided incentives for contractors to renew their contracts early. Therefore, it is anticipated Lindsay would sign their new contract (No. 5-07-20-W0428-LTR1) beginning in Contract Year 2005 and end in Contract Year 2045. A Contract Year typically begins March 1st and ends February 28th of the following year.

Reclamation completed the *Draft Friant Division Long-Term Contract Renewal Environmental Assessment* on October 16, 2000, (2000 Draft EA) and the *Final Friant Division Long-Term Contract Renewal Environmental Assessment* in January 2001 (2001 Final EA). Lindsay was included in the above referenced documents and a Finding of No Significant Impact was issued in January 2001. The 2000 Draft EA, 2001 Final EA, and Finding of No Significant Impact are incorporated by reference. The 2000 Draft EA and 2001 Final EA analyzed the impacts of the new contracts for a period of 25 years.

Reclamation has determined an Supplemental Environmental Assessment (SEA) is required to examine the impacts of the contract for an additional 15 years. The focus of this SEA is the continued water deliveries to Lindsay beyond 2025 to 2045.

PROPOSED ACTION AND ALTERNATIVES

Proposed Action Alternative

Reclamation proposes to supplement the Proposed Action Alternative described in the 2000 Draft EA and 2001 Final EA. Under the Proposed Action, Reclamation would offer a 40-year, long-term water service contract, to continue water service delivery of CVP water for M&I uses to Lindsay. As stated earlier, it is anticipated Lindsay would sign this 40-year, long-term water service contract in 2005. Under the proposed action, M&I users in Lindsay would have uninterrupted deliveries of CVP water for 40 years. This change in the contract term from 25-years to 40-years is the only substantive change to the draft City of Lindsay Long-Term Water Service contract considered in the 2000 Draft and 2001 Final EA.

This SEA has been prepared pursuant to and in accordance with the National Environmental Policy Act (NEPA) of 1969 (42 USC § 4321-4370d) and the Council on Environmental Quality (CEQ) regulations on implementing NEPA (40 CFR Parts 1500-1508).

No Action Alternative

The No Action Alternative is the described in the Draft 2000 and Final 2001 EA.

PURPOSE AND NEED FOR THE ACTION

The purpose and need for action is unchanged from that described in the attached Draft 2000 and Final 2001 EA. Reclamation is responsible for operational control of the CVP including securing payment for the cost of water facilities and operations and maintenance established in the water service contract with the Federal government. In addition, as a duly authorized representative, Reclamation administers all actions pertaining to the establishment of water service contracts on behalf of the Secretary of the Interior.

The purpose of this action is to renew a 40-year contract to the City of Lindsay for long-term water service, consistent with Reclamation authority and all applicable state and federal laws, including the Central Valley Project Improvement Act (CVPIA) (H.R. 429, Public Law 102-575). The project alternatives will include the terms and conditions of the long-term contracts and tiered water pricing.

Long-term contract renewal (LTCR) is needed to:

- Continue beneficial use of water, developed and managed as part of the CVP, with a reasonable balance among competing demands, including the needs of irrigation and domestic uses; fish and wildlife protection, restoration, and mitigation; fish and wildlife enhancement; power generation; recreation; and other uses consistent with requirements imposed by the State Water Resources Control Board (State Board) and the CVPIA;
- Incorporate certain administrative conditions into the renewed contract to ensure CVP continued compliance with current federal reclamation law and other applicable statutes; and
- Allow the continued reimbursement to the federal government for costs related to CVP construction and operation.

BASIS TO OFFER 40-YEAR CONTRACTS AND RENEW CENTRAL VALLEY PROJECT WATER SERVICE CONTRACTS

The River and Harbors Act of 1935 included the initial authorization for the CVP. The Central Valley Project Authorization Act of 1937 re-authorized the CVP and allowed the Secretary of the Interior to enter into repayment contracts and other necessary contracts with “all agencies with which contracts are authorized under reclamation law.”

Public Law 88-44, the Reclamation Project Act of 1939, provided for repayment of construction charges and authorized sale of CVP water to municipalities and other public corporations and agencies, plant investment, and certain irrigation water deliveries to leased lands. This act required the Secretary to comply with laws of the State relating to the control, appropriation, use, or distribution of water used in irrigation or vested rights acquired there under. This act also provided that the Secretary include provision for contract renewal, upon request of the other party to any long-term contract for municipal, domestic, or industrial water supply. The contract renewal would be subject to renegotiation of: (1) the charges set forth in the contract in the light of circumstances prevailing at the time of renewal; and (2) any other matters with respect to which the right to renegotiate is reserved in the contract. The act also states that the Secretary shall, upon request, provide in any such long-term contract that the other party to the contract shall, during the term of the contract and of any renewal (subject to fulfillment of other obligations), have a first right to a stated share or quantity of the CVP water supply available for municipal, domestic, industrial, or irrigation use.

Sections 9(c) of the Reclamation Project Act of 1939 authorized the Secretary to enter into contracts to furnish water for municipal water supply or miscellaneous purposes, provided that such contracts require repayment to the United States over a period not to exceed forty years. Section 9(e) of the Reclamation Project Act of 1939 allowed the Secretary to enter into either short- or long-term contracts to furnish water for irrigation purposes, with each such contract to be for a period not to exceed forty years.

The Water Service Contracts Act of 1944 provided for delivery of specific quantities of irrigation and municipal and industrial water to contractors.

The Reclamation Project Act of 1956 provided the right of renewal of long-term repayment or water service contracts for agricultural contractors for a term not to exceed 40 years. The Reclamation Project Act of June 21, 1963, Renewal of Water Supply Contracts, extended the right of renewal of long-term repayment or water service contracts for municipal and industrial (M&I) contractors.

On October 30, 1992, the President signed into law the Reclamation Projects Authorization and Adjustment Act of 1992 (Public Law 102-575) that included Title XXXIV, the Central Valley Project Improvement Act (CVPIA). The CVPIA amended the previous authorizations of the CVP to include fish and wildlife protection, restoration, and mitigation as project purposes having equal priority with irrigation and domestic uses and fish and wildlife enhancement as a project purpose equal to power generation. Section 3409 of the CVPIA required the Secretary to prepare a PEIS to evaluate the direct and indirect impacts and benefits of implementing CVPIA. That PEIS was prepared under the NEPA by Reclamation and U.S. Fish and Wildlife Service (Service). Reclamation released a Draft PEIS on November 7, 1997. An extended comment period closed on April 17, 1998. Reclamation and the Service released the final CVPIA PEIS in October 1999 and the joint Record of Decision in January 2001.

Section 3404(c) of the CVPIA directs the Secretary of the Interior (Secretary) to renew existing CVP water service and repayment contracts following completion of the 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 PEIS)..."

Section 3404(c) of the CVPIA clearly indicates that 25 years will be the upper limit for long-term irrigation repayment and water service contracts within the CVP. However, Section 3404(c) did not amend the provisions of Section (9(c) of the Reclamation Project Act of 1939 and the Act of June 21, 1963, which authorized renewal of M&I water contract terms for up to 40 years. These 1939 and 1963 authorizations remain in place as guidance for establishing the terms of M&I contracts.

AFFECTED ENVIRONMENT

The affected environment is described in the 2000 Draft and 2001 Final EAs.

ENVIRONMENTAL CONSEQUENCES

ASSUMPTIONS FOR 40-YEAR IMPACT ANALYSIS

A water-needs assessment was completed for each long-term CVP contractor including the City of Lindsay. Each water needs assessment was predicated on the amount of water that would be beneficially utilized by year 2025, and that amount was used to determine the proposed long-term contract amount. The water-needs assessments showed that each contractor's future water demand equaled or exceeded their full contract amount at year 2025. No interim time period conditions were considered or evaluated with respect to build-out conditions or changes in the CVP contract. Thus, all environmental impacts associated with use of the full contract amount would be manifested at the end of the 25-year water-needs analysis period. Therefore, the initial analysis of impacts in the 2000 Draft and 2001 Final EAs covered a 25-year period.

Potential impacts that would occur from 2025 to 2045 are being considered in this Supplemental EA. Because full use of the contract water-supply would occur by 2025, all environmental affects within the City of Lindsay water-service area related to this contract renewal will have occurred by year 2025. Because the full water-contract amount would already be in use, any contract-renewal environmental-effects occurring at year 2025 would not increase in magnitude or change in scope after that date.

If there are changes in actual amount of CVP water delivered after full build-out in year 2025, those would not be related to the contract, but would be a result of allocations reflecting future CVP demands, hydrology, or reductions in the reliability of CVP water supply. Any such changes in allocations would not exceed their full contract amount at

year 2025. Any decrease in the actual amount of water delivered would not result in additional development in M&I service areas between Contract Years 2025 to 2045. Any analysis of changes in actual water delivery after 2025 would be highly speculative, difficult to quantify, and minor in scope. Thus, Reclamation believes that the analysis of impacts in year 2025 covers the full range of impacts associated with a 40-year contract term to the M&I-only contractors. Therefore, the environmental impact analysis presented in the Draft 2000 and Final 2001 EAs would not change under the Proposed Action. The Proposed Action would not result in significant impacts to the resources analyzed in the Draft 2000 and Final 2001 EAs.

Effect on Other Resources

The effect of the Proposed Action on Surface Water, Water Supply, Groundwater Resources, Water Quality, Biological Resources, Fisheries Resources, Land Use Resources, Recreational Resources, Socioeconomic Resources, Cultural Resources, Air Quality, Geology and Soils, Visual Resources, Indian Trust Assets, low income and disadvantaged populations is identical to the effect described in the Draft 2000 and Final 2001 EAs.

Effect on Endangered Species

The City of Lindsay is one of the 28 water-service contracts included in the Friant Division of the CVP. The Service issued a *Biological Opinion for the Long-Term Contract Renewal for the Friant Division* in 2001 (2001 BO). The 2001 BO covered a period of 25-years. The Service and Reclamation are implementing the measures in the 2001 Biological Opinion. The proposed long-term contract for the City of Lindsay requires the contractor's compliance with the 2001 BO.

Reclamation has determined the Proposed Action of replacing the 25-year contract with a 40-year contract for Lindsay would have no effect on federally listed threatened or endangered species, their designated critical habitats or species proposed for listing under the ESA. The Proposed Action would not change the maximum contract amount from the 2,500 af/y considered in the Draft 2000 and Final 2001 EAs, and would not result in increases of water supplies. No new construction would be required. The water needs assessment included projections of full build-out to 2025. The continued CVP water deliveries to Lindsay to Contract Year 2045 would not result in incentives to construct additional homes or businesses.

REFERENCES

US Bureau of Reclamation, 1999, Programmatic Environmental Impact Statement for the Central Valley Project Improvement Act. October.

US Bureau of Reclamation, 2000, Draft, Friant Division Long-Term Contract Renewal Environmental Assessment, October 16.

US Bureau of Reclamation, 2001, Final, Friant Division Long-Term Contract Renewal Environmental Assessment and Finding of No Significant Impact. January 19.

US Fish and Wildlife Service, 2001, Biological Opinion for the Friant Division Water Contract Renewals, Sacramento, California. January 19.

National Oceanic Atmospheric Administration (formerly the National Marine and Fisheries Service), 2001, Biological Opinion. January 20.