

**DRAFT
FINDING OF NO SIGNIFICANT IMPACT
FOR THE
2006 RENEWAL OF INTERIM WATER SERVICE CONTRACTS

CENTRAL VALLEY PROJECT
CALIFORNIA**

The Mid-Pacific Regional Office of the Bureau of Reclamation (Reclamation) has found that an environmental impact statement is not required for the execution of up to 18 interim renewal water service contracts for up to a two-year period from March 1, 2006 through February 28, 2008 (see attached table). The Supplemental Environmental Assessment (EA) for these 2006 Renewal of Interim Water Service Contracts is incorporated by reference into this Finding of No Significant Impact (FONSI), and supports this FONSI.

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 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 the existing interim contracts will expire in February 2006, before long-term contracts can be executed, this action is needed to provide continued water delivery to these Central Valley Project (CVP) interim contractors.

Reclamation initially prepared an EA in December 1994 to evaluate potential impacts of interim renewal of 67 water service contracts from December 1994 through February 1998. The 67 contracts considered in the 1994 EA were reduced to 54 through consolidation, termination, or assignment. A FONSI for that action was issued in December 1994.

Reclamation completed supplemental EAs in February 1998, February 2000, February 2001, February 2002, and February 2004 to evaluate potential impacts from interim renewal contracts for an additional two years from March 1998 through February 2000, an additional one-year from March 2000 to February 2001, an additional two years from March 2002 to February 2004, and an additional two years from March 2004 to February 2006. FONSI for the 1998, 2000, and 2001, 2002, and 2004 interim contracts renewals were approved.

The proposed action is the execution of 18 interim renewal contracts (IRCs) between the United States and contractors for up to two years. With the exception of revisions to Articles 1 and 2, the terms and conditions of the Existing Interim Renewal Contract are incorporated by reference into the proposed interim renewal contract.

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:

1. **Surface water** No interim renewal contract included in this action will change contract water quantities from the quantities in the existing contracts, and none will cause any increased water use. Therefore, there will be no effect on surface water supplies or quality. For the same reason, renewal of interim contracts will not result in any growth-inducing impacts that will increase water demand during the up to two-year period of this renewal.

2. **Land use** The renewal of contracts 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 agricultural/irrigation use or municipal/industrial (M&I) under the proposed interim contracts will not change from the purpose of use specified in the existing contracts, however, 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. Given the two-year period of this renewal analysis, there will be no net effect on land use.

3. **Biological resources** The amount and timing of storage at CVP reservoirs and flows in rivers and streams that convey CVP water during the two-year analysis 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.

4. **Threatened and endangered species** Reclamation has completed consultation with the NOAA Fisheries (National Marine Fisheries Service) and the U.S. Fish and Wildlife Service on the proposed interim renewal action. The results of those ESA Section 7 consultations, 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.

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

6. **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.

7. **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.

8. **Indian Trust Assets** Continued delivery of project water to the existing contracts will not affect any Indian Trust Assets because existing rights will not be affected, no physical changes to existing facilities are proposed, and no new facilities are proposed.

9. **Economic 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.

Information about the Supplemental EA prepared for the proposed action or this FONSI may be obtained from Frank Michny, Bureau of Reclamation, and (916) 978-5025.

Central Valley Project 2006 Interim Renewal Contractors, IRC contract quantities, and the proposed 2006 contract number

CVP Contractor	Contract Quantity (AF)	Proposed 2006 IRC Contract No.
AMERICAN RIVER DIVISION		
Eastern Side Units:		
El Dorado Irrigation District	7,500	14-06-200-1357A-IR2
El Dorado Irrigation District (Lake Hills Estires)	50	14-06-200-7312-IR8
San Juan Water District	11,200	14-06-200-152A-IR9
DELTA DIVISION		
Delta-Mendoza Canal Unit:		
Broadview Water District	27,000	14-06-200-8092-IR9
Tracy, City of <i>(assignment final 27 Feb 04)</i>	5,000	14-06-200-4305A-IR9-B <i>(partially assign. from Santa Caterina ID)</i>
Tracy, City of <i>(assignment final 27 Feb 04)</i>	2,500	7-07-20-W0045-IR9-B <i>(special assign. from The West Side ID)</i>
WEST SAN JOAQUIN DIVISION		
San Luis Unit:		
Westlands Water District (District #1)* <i>(assignment final 9 Nov 03)</i>	2,500	7-07-20-W0055-IR9 <i>(assign. from Centinella WD)</i>
Westlands Water District (District #1)* <i>(assignment final 27 May 03)</i>	2,990	14-06-200-8018-IR9 <i>(assign. from Wagon WD)</i>
Westlands Water District (District #2) <i>(assignment final 1 May 03)</i>	4,198	14-06-200-3365A-IR9-C <i>(partially assign. from Merced Springs WD)</i>
Miscellaneous:		
Pajaro Valley Water Management Agency, Westlands Water District (District # 31), Santa Clara Valley Water District <i>(last assignment final 14 May 99)</i>	6,260	14-06-200-3365A-IR9-B <i>(3-way partial assign. from Merced Springs WD)</i>
Cross Valley Canal Contractors:		
Fresno, County of	3,000	14-06-200-8292A-IR10
Hills Valley Irrigation District	3,346	14-06-200-8466A-IR10
Kern-Tulare Water District	40,000	14-06-200-8601A-IR10
Lower Tule River Irrigation District	31,102	14-06-200-8237A-IR10
Pixley Irrigation District	31,102	14-06-200-8235A-IR10
Rag Gulch Water District	13,300	14-06-200-8367A-IR10
Tri-Valley Water District	1,142	14-06-200-8565A-IR10
Tulare, County of	5,308	14-06-200-8293A-IR10
	197,498	

* These interim contracts were not assigned to Westlands WD at the time the 2004 Supplemental I&A was prepared.

RECLAMATION

Managing Water in the West

DRAFT

**Supplemental Environmental Assessment
for the 2006 Renewal of Interim
Water Service Contracts
through February 29, 2008**

Central Valley Project, California



U.S. Department of the Interior
Bureau of Reclamation
Mid-Pacific Region

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CHAPTER 1

PURPOSE AND NEED

1.1 INTRODUCTION

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 34, the Central Valley Project Improvement Act (CVPIA). In accordance with Section 3404(c) of the CVPIA, the Bureau of Reclamation (Reclamation) proposes to execute 18 interim water service contracts beginning March 1, 2006. Interim renewal contracts (IRCs) are undertaken under the authority of the CVPIA to provide a bridge between the expiration of the original long-term water service contract and the execution of a new long-term water service contract. The 18 water service contracts proposed for interim renewal in 2006 are listed in Table 1. These 18 interim contracts will be renewed for a one-year period from March 1, 2006 through February 28, 2007, and some contracts may need to be extended for an additional one-year interim renewal period from March 1, 2007 to February 29, 2008. Therefore, the scope of this environmental analysis covers the delivery of contract water for a two-year period from March 1, 2006 through February 29, 2008. In the event a new long-term water contract is executed, the interim water service contract then in effect would be superseded by the long-term water service contract.

Reclamation has prepared this supplemental Environmental Assessment (EA) to determine if any actions occurring from the execution of these 18 interim contracts for up to two years (from March 1, 2006 up to February 29, 2008) will result in any impacts not analyzed in the 1994 Interim Renewal Contracts EA (Bureau of Reclamation 1994), the 1998 Supplemental EA (Bureau of Reclamation 1998), the 2000 Supplemental EA (Bureau of Reclamation 2000), the 2001 Supplemental EA (Bureau of Reclamation 2001), the 2002 Supplemental EA (Bureau of Reclamation 2002), or the 2004 Supplemental EA (Bureau of Reclamation 2004). These six previous documents are incorporated by reference into this analysis. The 2004, 2002, 2001, and 2000 IRC Supplemental EAs are included in Appendix C. The December 1994 EA, and February 1998 Supplemental EA are incorporated by reference and are available by request.

This 2006 Supplemental EA provides the sections that have updated information, additional discussions, or table changes from the 2004, 2002, 2001 or 2000 Final Supplemental EAs. This environmental analysis was developed consistent with regulations and guidance from the Council on Environmental Quality, and in conformance with the analysis provided in *NRDC 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 supplemental EA and the incorporated EAs finds in large part that the interim renewal of the contracts is in essence a continuation of the "status quo," that is, they continue the existing use and allocation of resources (i.e., the same amount of water is being provided to the same

lands for existing/ongoing purposes).

1.2 BACKGROUND OF INTERIM RENEWAL CONTRACTS

Sections 3404(c) and 3409 of the CVPIA stipulate that Reclamation must prepare a programmatic environmental impact statement (PEIS) analyzing the direct and indirect impacts and benefits of implementing the CVPIA before renewing long-term CVP water service contracts. The complexity of the analysis associated with the CVPIA PEIS extended its completion until October 1999, with a Record of Decision approved on January 9, 2001.

The PEIS evaluated CVP-wide impacts of long-term contract renewal. As contract renewal negotiations were completed, Reclamation prepared environmental documents that tier from the PEIS to analyze the local effects of long-term contract renewals at the division, unit, or facility level:

Reclamation completed long-term contract renewal environmental documentation in early 2001 for CVP contracts in the Friant Division, Hidden Unit, and Buchanan Unit of the CVP (Reclamation 2000, 2001b). Twenty-five of the 28 Friant Division long-term contracts were executed between January and February 2001, and the Hidden Unit and Buchanan Unit long-term contracts were executed in February 2001. The Friant Division long-term contracts with the City of Lindsay, Lewis Creek Water District, and City of Fresno were executed in 2005.

A final environmental impact statement analyzing effects of the long-term renewal of the Sacramento River Settlement Contracts (SRSC) and the Colusa Drain Mutual Water Company (CDMWC) was completed in December 2004 (Reclamation 2004b). The 147 SRSCs were executed in 2005, and the CDMWC contract was executed on May 27, 2005. A revised EA for the long-term renewal of the Feather Water District water-service replacement contract was completed August 15, 2005 (Reclamation 2005), and the long-term contract was executed on September 27, 2005.

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 2005b), the Black Butte Unit, Corning Canal Unit, and the Tehama-Colusa Canal Unit of the Sacramento River Division (Reclamation 2005c). All long-term CVP contracts for the Shasta, Trinity and Sacramento River Divisions were executed between February and May 2005.

Within the Delta Division, Reclamation completed long-term environmental documents for the Delta-Mendota Canal Unit (Reclamation 2005d), U.S. Department of Veteran Affairs (Reclamation 2005e), and the Contra Costa Water District (Reclamation 2005f), and executed 17 Delta Division long-term renewal contracts in early 2005. As indicated in Table 1, three contractors in the Delta-Mendota Canal Unit have not yet executed a long-term renewal contract, and their respective existing interim contracts expire February 28, 2006. Reclamation is pursuing

execution of these remaining long-term water service contract renewals within this interim period (March 1, 2006 to February 28, 2008).

The Cross Valley Canal (CVC) and the American River Division contract negotiations are believed to be essentially complete. Final environmental documentation of the American River Division and the CVC long-term contract renewal is pending. Reclamation is pursuing completion of environmental compliance and execution of these remaining long-term water service contracts within this interim period (March 1, 2006 to February 28, 2008) (see Table 1).

In addition, Reclamation is currently completing the contract negotiations and environmental documentation for contracts within the San Luis Unit (West San Joaquin Division) and the San Felipe Division of the CVP. With the exception of four interim contracts listed on Table 1, water service contracts in the San Luis Unit expire between December 2007 and December 2008, with one in February 2024, and the San Felipe Division contracts expire in 2027. Reclamation anticipates executing new long-term contracts for the San Luis Unit and San Felipe Division before the contractor's respective existing contracts expire; consequently, most San Luis and San Felipe Division contracts do not require interim contracts and are not considered in this environmental assessment.

1.3 PURPOSE AND NEED FOR ACTION

The purpose of the proposed action is to execute 18 interim contracts to extend the term of the contractors' existing interim renewal contract(s) for up to two years, beginning March 1, 2006 and ending February 28, 2008. Execution of these 18 interim contracts is needed to continue delivery of CVP water to these contractors until their new long-term contract can be executed.

1.4 ISSUES RELATED TO CVP WATER USE UNDER THE PROPOSED INTERIM CONTRACTS

1.4.1 Contract Service Areas

No changes to any contractor's service area are part of the proposed action. A request by an interim contractor to change to its existing service area would be a separate federal action. Separate appropriate environmental compliance and documentation would be completed before Reclamation approves a land inclusion or exclusion to any CVP contractor's service area.

1.4.2 Purpose of Use

Use of contract water for agricultural/irrigation use or municipal/industrial (M&I) use under the proposed interim contracts will not change from the purpose of use specified in the existing contracts. However, 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.

1.4.3 Water Transfers and Exchanges

No sales, transfers, or exchanges of CVP water are part of the proposed action. Water sales, transfers, and exchanges are separate actions and are independent of interim contract renewals. Pursuant to Section 3405 of the CVPIA, transfers of CVP water require appropriate site-specific environmental compliance and documentation. Appropriate site-specific environmental documentation is also prepared for all CVP water exchange actions.

1.4.4 Water Assignments

Assignments of CVP water are not included in the proposed action. Any changes in CVP water assignments are separate, independent actions that require their own environmental compliance and documentation. Five interim contractors have previously obtained assignments or partial assignments of CVP water (see Table 1). The direct, indirect, and cumulative effects of these assignment actions were analyzed in previous environmental documents (Reclamation 1999, 2002b, 2003, 2003b, 2004d, 2005g).

1.4.5 Warren Act Contracts

Warren Act contracts between Reclamation and water contractors for the conveyance of non-federal water through federal facilities or for the storage of non-federal water in federal facilities are not included in this project description.

1.4.6 Article 55 Conveyances

Conveyance of non-federal water under Article 55 of a contractor's State Water Project (SWP) supply contract is not a federal action, and no Article 55 conveyance actions are included in this project description for the renewal of CVP interim water-service contracts.

1.5 PUBLIC INVOLVEMENT

Public participation requirements for water service, repayment, and other water-related contracts are established in Section 9(f) of the Reclamation Project Act of 1939, 43 U.S.C. 485h, and by RRA rules and regulation (43 CFR 426.22). Public participation procedures are composed of two basic elements: 1) publicize proposed contract actions, and 2) provide an opportunity for public comment. Reclamation provides public notices of proposed contract actions at least 60 days prior to execution of any contract with a term greater than 1 year. Negotiations have been completed for the draft form of the 2006 interim renewal contracts, and all proposed 2006 interim contracts will have term of one year.

Table 1. Central Valley Project 2006 Interim Renewal Contractors, IRC' contract quantities, the existing contract number, existing contract expiration date, and the proposed IRC' contract number for 2006.

CVP Contractor	Contract Quantity (A/F)	Existing IRC Contract No.	Contract Expiration Date	Proposed 2006 IRC Contract No.
AMERICAN RIVER DIVISION				
Folsom Lake Unit:				
El Dorado Irrigation District	7,500	14-06-200-1357A-IR1	2-28-2006	14-06-200-1357A-IR2
El Dorado Irrigation District (Lake Hills Estates)	50	14-06-200-7312-IR7	2-28-2006	14-06-200-7312-IR8
San Juan Water District	11,200	14-06-200-152A-IR8	2-28-2006	14-06-200-152A-IR9
DELTA DIVISION				
Delta-Mendocino Canal Unit:				
Broadview Water District	27,000	14-06-200-8092-IR8	2-28-2006	14-06-200-8092-IR9
Tracy, City of <i>(assignment final 27 Feb 04)</i>	5,000	14-06-200-4305A-IR9-B <i>(partial assign. from Santa Catalina ID)</i>	2-28-2006	14-06-200-4305A-IR9-B <i>(partial assign. from Santa Catalina ID)</i>
Tracy, City of <i>(assignment final 27 Feb 04)</i>	2,500	7-07-20-W0045-IR8-B <i>(partial assign. from The West Side ID)</i>	2-28-2006	7-07-20-W0045-IR9-B <i>(partial assign. from The West Side ID)</i>
WEST SAN JOAQUIN DIVISION				
San Luis Unit:				
Westlands Water District (District #1) <i>(assignment final 9 Nov 04)</i>	2,500	7-07-20-W0055-IR8 <i>(assign. from Centralia WID)</i>	2-28-2006	7-07-20-W0055-IR9 <i>(assign. from Centralia WID)</i>
Westlands Water District (District #1) <i>(assignment final 27 May 05)</i>	2,990	14-06-200-8018-IR8 <i>(assign. from Widener WID)</i>	2-28-2006	14-06-200-8018-IR9 <i>(assign. from Widener WID)</i>
Westlands Water District (District #2) <i>(assignment final 1 Mar 05)</i>	4,198	14-06-200-3365A-IR8-C <i>(partial assign. from Mercy Springs WID)</i>	2-28-2006	14-06-200-3365A-IR9-C <i>(partial assign. from Mercy Springs WID)</i>
Miscellaneous				
Pajaro Valley Water Management Agency, Westlands Water District (District # 1) Santa Clara Valley Water District <i>(1-way assignment final 14 May 99)</i>	6,260	14-06-200-3365A-IR8-B <i>(1-way assignment from Mercy Springs; see Reclamation, 1999 and 2004c)</i>	2-28-2006	14-06-200-3365A-IR9-B
Cross Valley Canal Contractors:				
Fresno, County of	3,000	14-06-200-8292A-IR9	2-28-2006	14-06-200-8292A-IR10
Hills Valley Irrigation District	3,346	14-06-200-8466A-IR9	2-28-2006	14-06-200-8466A-IR10
Kern-Tulare Water District	40,000	14-06-200-8601A-IR9	2-28-2006	14-06-200-8601A-IR10
Lower Tule River Irrigation District	31,102	14-06-200-8237A-IR9	2-28-2006	14-06-200-8237A-IR10
Pixley Irrigation District	31,102	14-06-200-8238A-IR9	2-28-2006	14-06-200-8238A-IR10
Rag Gulch Water District	13,300	14-06-200-8367A-IR9	2-28-2006	14-06-200-8367A-IR10
Tri Valley Water District	1,142	14-06-200-8563A-IR9	2-28-2006	14-06-200-8563A-IR10
Tulare, County of	5,308	14-06-200-8293A-IR9	2-28-2006	14-06-200-8293A-IR10
	197,498			

* These interim contracts were not assigned to Westlands WID at the time the 2004 Supplemental EA was prepared.

CHAPTER 2 ALTERNATIVES

2.1 PROPOSED ACTION ALTERNATIVE

The Proposed Action alternative evaluated in this document is the execution of up to 18 interim renewal water service contracts between the United States and the CVP contractors listed in Table 1. The existing interim renewal contracts listed on Table 1 expire February 28, 2006. The Proposed Action would continue these existing interim contracts, with only minor, administrative changes to the contract provisions.

The 18 interim contracts considered in this document will be renewed for a one-year period from March 1, 2006 through February 28, 2007; however, unexpected delays in a long-term contract negotiation or long-term environmental documentation might unexpectedly delay execution of a long-term contract an additional year. Therefore, the period of analysis in this environmental assessment covers a two-year period (March 1, 2006 to February 29, 2008) to include an additional one-year interim renewal period if necessary. In the event that a new long-term water contract is executed, that interim water service contract would then expire.

No changes to any CVP service area are part of the proposed action. CVP water deliveries under the 18 proposed interim contracts can be used only within each designated contract service area (see Appendix B). Contract service areas for the proposed interim contracts have not changed from the existing interim contracts.

The proposed 2006 interim renewal contract quantities (see Table 1) remain the same as in the existing interim water-service contracts. Water can be delivered under the interim water service contracts in quantities up to the contract total, although it is likely that deliveries will be less than the contract total. The existing interim contracts can be viewed on-line at www.usbr.gov/jnp/cvpia/3404c/lt_contracts/index.html (click on 2004 Interim Renewal Contracts or 2005 Interim Renewal Contracts), and a sample existing interim renewal contract is provided in Appendix A of this document. The terms and conditions of the existing interim renewal contracts are incorporated by reference into the Proposed Action contract, except for these revisions:

The eight Cross Valley Canal interim contracts

(a) The first sentence in Subdivision (a) of Article 1 is modified as follows: "This interim renewal contract shall be effective from March 1, 2006, and shall remain in effect through February 28, 2007, and thereafter will be renewed as described in Subdivision (a) of Article 2 of the Interim Renewal Contract if a long-term renewal contract has not been executed with an effective commencement date of March 1, 2007".

(b) Subdivision (b) of Article 1 of the Existing Interim Renewal Contract is amended by deleting the date "February 15, 2006", and replacing same with the date "February 15, 2007."

(c) Subdivision (c) of Article 1 of the Existing Interim Renewal Contract is amended by deleting the dates "February 1, 2006," "February 15, 2006," and "February 28, 2006," and replacing same with the dates "February 1, 2007," "February 15, 2007," and "February 28, 2007," respectively.

Similar language will be used to change the dates referenced in Articles 1 and 2 of the other ten proposed 2006 interim renewal contracts. These revisions would take effect on March 1, 2006. Except for these date changes and minor administrative changes, all proposed 2006 interim renewal contracts will remain the same as the existing interim renewal contracts. The proposed interim contracts can be viewed on-line at www.ashr.gov/mp/cvpa/3404c/it_contracts/index.html (click on 2006 Interim Renewal Contracts). A sample of a proposed interim renewal contract is provided in Appendix A.

The Proposed Action alternative is comparable to Alternative 1, continuation of existing interim contracts, analyzed in the 2000 Supplemental EA. Subsection 3404(c)(1) specifies that interim renewal contracts will not exceed three years in length, and be for successive interim periods of not more than two years in length. The current contract provisions are those that are included in the existing interim renewal contracts and specified in the 2002 Supplemental EA. They contain only minor variations from the provisions described in the 1994 EA, the 1998 Supplemental EA, the 2000, 2001, and the 2004 Supplemental EAs.

All other existing contract provisions such as contract supply, delivery of water, point of diversion and responsibility for distribution of water, water use, payment, water quality, water measurement, water conservation, water shortage, discretionary provisions of the Reclamation Reform Act, Endangered Species Act compliance, and standard articles are not changed (see Section 2.1.1 of the 2000 Supplemental EA, presented in Appendix C).

2.2 ALTERNATIVES CONSIDERED BUT ELIMINATED FROM FURTHER ANALYSIS

2.2.1 No Renewal of Interim Contracts

Nonrenewal of existing contracts is considered infeasible based on Section 3404(c) of the CVPIA, which states that "...the Secretary shall, upon request, renew any existing long-term repayment of water service contract for the delivery of water from the CVP..." (emphasis added). 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.

2.2.2 Reduction in Interim Contract Water Quantities

Reduction of contract water quantities due to the current delivery constraints on the CVP system (identified in the PEIS) was considered in certain cases, but rejected from this analysis of the 18 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. Water-needs assessments have been completed for all CVP contractors to identify the amount of water that could be beneficially used by each water service contractor. In almost all CVP contracts (including these 18 contracts), the contractor's water needs exceed or equal the current total contract quantity. However, the quantity of water delivered under the contract is limited to the amount that can be put to beneficial use or the existing contract amount, whichever is less.

Second, the shortage provision of the water service contract protects Reclamation's Contracting Officer 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. Such legal or regulatory actions include, for example, actions to implement the CVPIA, which has dedicated significant amounts of CVP water to environmental uses and which provides funding from the CVP contractors to improve habitat and to acquire water for environmental purposes.

The CVPIA required Reclamation to institute environmental management as part of the CVP operations, such as allocation of 800,000 acre-feet for fish and wildlife purposes, refuge water supply, and acquisition of water from willing sellers. These legal requirements, in addition to existing Federal and State requirements for CVP operations, provide for regulatory/environmental use of CVP water and constrain the actual water-delivery amounts.

Third, retaining the full historic water quantities under contract provides the contractors with assurance the water will be made available in wetter years and helps to support investments for local storage, water conservation improvements, and capital repairs.

2.2.3 Other Alternatives

Other alternatives, including tiered pricing, are being addressed through the negotiations process for long-term contracts. Appropriate alternatives will be evaluated as part of the environmental compliance process for long-term contract renewals. Reclamation is pursuing completion of the remaining long-term contract renewals. Reclamation anticipates completing environmental compliance and executing the remaining 18 long-term water service contracts within this interim contract term (2006 to 2008).

CHAPTER 3

AFFECTED ENVIRONMENT AND ENVIRONMENTAL CONSEQUENCES

The Affected Environment and Environmental Consequences in this 2006 Supplemental EA presents only those sections that have updated information, additional discussions, or table changes from the 2004, 2002, 2001 and 2000 Final Supplemental EAs. The Proposed Action alternative is comparable to Alternative 1, continuation of existing interim contracts, analyzed in the 2000 Supplemental EA.

The existing affected environment conditions are essentially the same as those described in the initial 1994 EA and subsequent Supplemental EAs. Consistent with existing CVP and CVPIA biological opinions, Reclamation implemented a Central Valley Habitat Monitoring Program (CVHMP) in 1999 to map and monitor habitat inside CVP water service areas. The CVHMP uses satellite imagery and aerial photography to identify natural habitats and monitor habitat changes that may be occurring inside CVP water service areas. The CVHMP database benchmark year is 1993, and that 1993 data reflects land-use and habitat conditions described in the affected environment sections of the 1994 EA (Reclamation 1994). Comparisons of the 1993 benchmark-year to recent available satellite imagery (2000) show that habitat conditions inside the IRC water service areas have changed very little since the first IRC environmental analysis in 1994, which further supports conclusions presented in the 2004, 2002, 2001, and 2000 Supplemental IRC Environmental Assessments. Summaries of land-use and habitat changes inside each IRC service area between 1993 and 2000 are presented in Appendix C. The CVHMP has recently obtained 2005 satellite imagery of the Central Valley, and is analyzing land use changes that may have occurred inside CVP contract service areas between 2000 and 2005. The 2005 analysis is expected to be completed in two years.

3.1 BIOLOGICAL RESOURCES

3.1.1 Proposed Action Alternative

The fifth paragraph from the 2001 Supplemental IRC Environmental Assessment is revised as follows:

CVP-wide impacts to biological resources were evaluated in the PEIS, and a FWS Biological Opinion to address potential CVP-wide impacts was completed on November 21, 2000. The programmatic biological opinion and Essential Fish Habitat Conservation Recommendations prepared by NOAA Fisheries for the CVPIA was completed on November 14, 2000.

Cross Valley Canal (CVC) contracts potential impacts to biological resources were evaluated in the CVC Contractors Long-Term Contract Renewal Environmental Assessment (January 2001),

the CVC Long-term Contract Renewal Amended Environmental Assessment (Reclamation 2004c, the CVC Contractors Long-Term Contract Renewal Regional Biological Assessment (January 17, 2001), the Biological Opinion on Bureau of Reclamation Long Term Contract Renewal of Friant Division and CVC Contracts (FWS-January 19, 2001), the Biological Opinion for the Long-Term Renewal of CVP Water Service Contracts for the Friant Division and CVC Contractors (NOAA Fisheries - January 20, 2001). The following paragraphs are included at the end of this section:

The FWS Biological Opinion for the 2004 interim contracts is incorporated by reference in this 2006 Supplemental EA and is included in Appendix C. The FWS Biological Opinion and NOAA Fisheries Biological Opinion for these 2006 interim contracts will be included in the Final EA as Appendix D.

CHAPTER 4

CONSULTATION AND COORDINATION

Reclamation is consulting and coordinating with the U.S. Fish and Wildlife Service (FWS), National Oceanic and Atmospheric Administration – National Marine Fisheries Service (NOAA Fisheries), and the IRC contractors (Table 1) in the preparation of the environmental documents for this proposed interim renewal action. The public will be invited to review and comment on the *Draft Supplemental EA for the 2006 Renewal of Interim Water Service Contracts* for a review period in early January 2006. A press release announcing the Draft EA/FONSI availability will be sent to all interested parties, and will be announced and made available for viewing on the Mid-Pacific Region web page in January 2006.

4.1 ENDANGERED SPECIES ACT

Fish and Wildlife Service. In 2000, Reclamation completed formal ESA consultation on IRCs, and the FWS issued a biological opinion dated February 29, 2000. On February 28, 2001, the FWS issued a memorandum extending that 2000 biological opinion through February of 2002. In February 2002, the FWS issued a biological opinion amending the February 2000 biological opinion, and extending the 2000 biological opinion through February of 2004. On February 27, 2004, the FWS issued a second amendment to their February 2000 biological opinion to address the effects of the 2004 interim renewal contracts through February 2006. These biological opinions are attached as appendices to previous interim renewal environmental assessments (see Appendix C)

Reclamation consulted formally with the FWS on the Cross Valley Canal (CVC) long-term water service contracts and received a biological opinion from the U.S. Fish and Wildlife Service on January 19, 2001. Reclamation and the CVC Contractors have committed to comply with the requirements of that long-term contract biological opinion during the interim contract period.

NOAA Fisheries. In 2002, Reclamation completed ESA consultation on interim contracts with NOAA Fisheries for a period of up to two years. NOAA Fisheries, by letter dated February 22, 2002, concurred with Reclamation's determination that the renewal of 2-year interim water service contracts will not likely adversely affect Sacramento River winter-run Chinook salmon, Central Valley spring-run Chinook salmon, Southern Oregon/Northern California Coast Coho salmon, Central Valley steelhead, or their designated critical habitat.

On November 14, 2003, Reclamation initiated consultation with NOAA Fisheries on the 2004 interim renewal contracts. On February 27, 2004, NOAA Fisheries concurred with Reclamation's determination that the renewal of 53 interim water service contracts for a two-year period from March 1, 2004 to February 28, 2006 is likely to adversely affect Central Valley spring-run Chinook salmon, Central Valley Steelhead, or their designated critical habitat, or Essential Fish Habitat for Pacific salmon.

Formal consultation on the CVC long-term water service contracts was completed with NOAA Fisheries in January 2001. Reclamation and the CVC Contractors have committed to comply with the NOAA Fisheries CVC long-term contract biological opinion during the interim contract period.

CHAPTER 5 REFERENCES

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