

RECLAMATION

Managing Water in the West

Final Environmental Assessment

Central Valley Project Interim Renewal Contract for the City of Tracy 2018-2020

EA-17-019



U.S. Department of the Interior
Bureau of Reclamation
South-Central California Area Office

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Mission Statements

The Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors its trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated island communities.

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

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Section 1 Introduction

The Bureau of Reclamation (Reclamation) provided the public with an opportunity to comment on the Draft Finding of No Significant Impact (FONSI) and Draft Environmental Assessment (EA) between December 13, 2017 and January 9, 2018. No comments were received. Changes between this Final EA and the Draft EA, which are not minor editorial changes, are indicated by vertical lines in the left margin of this document.

1.1 Background

In 2005, Reclamation issued a Final EA for renewal of Central Valley Project (CVP) long-term water service contracts for Delta Division contractors which included the City of Tracy (City) as part of its analysis (Reclamation 2005a). At the time, a FONSI was not issued for renewal of the City's long-term water service contract (Contract No. 14-06-200-7858A) as its contract did not expire until December 31, 2013, negotiations for the long-term renewal contract were not finished, and Endangered Species Act (ESA) consultation was not completed. On May 28, 2013, Reclamation and the City re-initiated negotiations for renewal of the City's long-term water service contract which included combining its main contract (Contract No. 14-06-200-7858A) with its two partial assignment interim renewal contracts (Contract Nos. 14-06-200-4305A-IR13-B and 7-07-20-W0045-IR13-B) under one long-term water service contract.

As negotiations were ongoing and environmental compliance for execution of a long-term renewal contract was pending, Reclamation and the City executed a 26-month interim renewal contract in February 2014 that combined the City's main contract and its two partial assignment interim renewal contracts. In 2015, the City's interim renewal contract was renewed for a two-year period from March 1, 2016 through February 28, 2018. As this interim renewal contract will expire soon and a long-term contract has not been executed, the City has requested renewal of the interim renewal contract.

1.1.1 Interim Renewal Contracts

On October 30, 1992, the President signed into law the Reclamation Projects Authorization and Adjustment Act of 1992 (Public Law 102-575) which included Title 34, the Central Valley Project Improvement Act (CVPIA). The CVPIA amended previous authorizations of the CVP to include fish and wildlife protection, restoration, and mitigation as project purposes having equal priority with irrigation and domestic water supply uses, and fish and wildlife enhancement as having an equal priority with power generation. Through the CVPIA, Reclamation is developing policies and programs to improve the environmental conditions that were affected by the operation and maintenance (O&M) and physical facilities of the CVP. The CVPIA also includes tools to facilitate larger efforts in California to improve environmental conditions in the Central Valley and the San Francisco Bay-Delta system.

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

Reclamation released a Draft PEIS on November 7, 1997. An extended comment period closed on April 17, 1998. The U.S. Fish and Wildlife Service (USFWS) became a co-lead agency in August 1999. Reclamation and the USFWS released the Final PEIS in October 1999 (Reclamation 1999) and the Record of Decision (ROD) in January 2001. The CVPIA PEIS analyzed a No Action Alternative, 5 Main alternatives, including a Preferred Alternative, and 15 Supplemental Analyses. The alternatives included implementation of the following programs: Anadromous Fish Restoration Program with flow and non-flow restoration methods and fish passage improvements; Reliable Water Supply Program for refuges and wetlands identified in the 1989 Refuge Water Supply Study and the San Joaquin Basin Action Plan; Protection and restoration program for native species and associated habitats; Land Retirement Program for willing sellers of land characterized by poor drainage; and CVP Water Contract Provisions for contract renewals, water pricing, water metering/monitoring, water conservation methods, and water transfers.

The CVPIA PEIS provided a programmatic evaluation of the impacts of implementing the CVPIA including impacts to CVP operations north and south of the Sacramento-San Joaquin River Delta (Delta). The PEIS addressed the CVPIA's region-wide impacts on communities, industries, economies, and natural resources and provided a basis for selecting a decision among the alternatives.

Section 3404(c) of the CVPIA further provides for the execution of interim renewal contracts for contracts which expired prior to completion of the CVPIA PEIS by stating that:

No such renewals shall be authorized until appropriate environmental review, including the preparation of the environmental impact statement required in section 3409 of this title, has been completed. Contracts which expire prior to the completion of the environmental impact statement required by section 3409 [i.e., the CVPIA PEIS] may be renewed for an interim period not to exceed three years in length, and for successive interim periods of not more than two years in length, until the environmental impact statement required by section 3409 has been finally completed, at which time such interim renewal contracts shall be eligible for long-term renewal as provided above.

Interim renewal contracts have been and continue to be undertaken under the authority of the 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 as provided for in the CVPIA.

The interim renewal contracts reflect current Reclamation law, including modifications resulting from the Reclamation Reform Act and applicable CVPIA requirements. The initial interim renewal contracts were negotiated beginning in 1994 for contractors whose long-term renewal contracts were expiring, with an initial interim period not to exceed three years in length, and for subsequent renewals for periods of two years or less to provide continued water service. Many of the provisions from the interim renewal contracts were assumed to be part of the contract renewal provisions in the description of the PEIS Preferred Alternative.

The PEIS did not analyze site specific impacts of contract renewal but rather CVP-wide impacts of execution of long-term renewal contracts. Consequently, as long-term renewal contract negotiations are completed, Reclamation prepares environmental documents that tier from the PEIS to analyze the local effects of execution of long-term renewal contracts at the division, unit, or facility level (see Section 1.1.2). Agencies are encouraged to tier their environmental impact statements to eliminate repetitive discussions of the same issues and to focus on the actual issues ripe for decision at each level of environmental review (40 CFR 1502.20). Tiering refers to the coverage of general matters in broader environmental impact statements with site-specific environmental analyses for individual actions (40 CFR 1508.28). Environmental analysis for the interim renewal contracts is tiered from the PEIS to analyze site specific impacts. Consequently, the analysis in the PEIS as it relates to the implementation of the CVPIA through contract renewal and the environmental impacts of implementation of the PEIS Preferred Alternative are foundational and laid the groundwork for this document.

In accordance with Section 3404(c) of the CVPIA, Reclamation proposes to execute a Delta Division interim renewal contract with the City beginning March 1, 2018 for a two year period (Table 1). In the event a new long-term water service contract is executed, the interim renewal contract then-in-effect would be superseded by the long-term water service contract.

Table 1 Contract, Contract Entitlement and Purpose of Use.

Contractor	Current Contract Number	Contract Quantity (acre-feet)	Purpose Of use
City of Tracy	14-06-200-7858A-IR3	20,000	municipal and industrial only

Reclamation prepared this EA, which tiers from the PEIS, to determine the site specific environmental effects of any actions resulting from the continuation of the interim renewal contract for the City. The following previous interim renewal EAs for the City's combined interim renewal contract and two partial assignments, which tiered from the PEIS, were prepared for these contracts and approved as follows:

- A 2015 EA (Reclamation 2015) which covered January 1, 2016 through February 29, 2018 for the City's combined main contract and two partial assignment interim renewal contracts.

- A 2014 EA (Reclamation 2014) which covered January 1, 2014 through February 29, 2016 for the City's combined main contract and two partial assignment interim renewal contracts.
- A 2012 EA (Reclamation 2012) which covered contract years¹ 2012 through 2014 for the City's two partial assignment interim renewal contracts.
- A 2010 EA (Reclamation 2010) which covered contract years 2010 through 2012 for the City's two partial assignment interim renewal contracts.
- A 2008 EA (Reclamation 2008) which covered the contract years 2008 through 2010 for the City's two partial assignment interim renewal contracts.
- A 2006 Supplemental EA (Reclamation 2006a) which covered the years 2006 and 2007 for the City's two partial assignment interim renewal contracts.
- A 2004 Supplemental EA (Reclamation 2004a) which covered the contract years 2004 and 2005 for the City's two partial assignment interim renewal contracts.
- A 2002 Supplemental EA (Reclamation 2002) which covered the contract years 2002 and 2003 for the City's two partial assignment interim renewal contracts.
- A 2001 Supplemental EA (Reclamation 2001a) which covered the contract year 2001 for the City's two partial assignment interim renewal contracts.
- A 2000 Supplemental EA (Reclamation 2000) which covered the contract year 2000 for the City's two partial assignment interim renewal contracts.
- A 1998 Supplemental EA (Reclamation 1998) which covered the contract years 1998 and 1999 for the City's two partial assignment interim renewal contracts.
- A 1994 Interim Renewal Contracts EA (Reclamation 1994) which covered the contract years 1994 through 1997 for the City's two partial assignment interim renewal contracts.

1.1.2 Status of Long-Term Renewal Contracts

CVP water service contracts are between the United States and individual water users or districts and provide for an allocated supply of CVP water to be applied for beneficial use. Water service contracts are required for the receipt of CVP water under federal Reclamation law and among other things stipulate provisions under which a water supply is provided, to produce revenues sufficient to recover an appropriate share of the federal government's capital investment, and to pay the annual O&M costs of the CVP.

The current status of long-term contract renewals and associated environmental documentation by CVP Division is described below.

Friant Division, Hidden Unit, Buchanan Unit

Reclamation completed a site-specific EA/FONSI in 2001 for long-term contract renewals for the Friant Division, Hidden Unit, and Buchanan Unit of the CVP (Reclamation 2001b). Twenty-five of the 28 Friant Division long-term renewal contracts were executed between January and February 2001, and the Hidden Unit and Buchanan Unit long-term renewal contracts were executed in February 2001. The Friant Division long-term renewal contracts with the City of Lindsay, Lewis Creek Water District, and City of Fresno were executed in 2005. In accordance with Section 10010 of the Omnibus Public Land Management Act of 2009 (Public Law 111-11), Reclamation entered into 24 Friant Division 9(d) Repayment Contracts by December 2010.

¹ A contract year is from March 1 of a particular year through February 28/29 of the following year.

Sacramento River Settlement Contracts and Colusa Drain Mutual Water Company

Reclamation completed a site-specific Environmental Impact Statement (EIS)/ROD in 2005 for long-term contract renewals for the Sacramento River Settlement Contracts and the Colusa Drain Mutual Water Company (Reclamation 2004b). The 147 Sacramento River Settlement Contracts were executed in 2005, and the Colusa Drain Mutual Water Company contract was executed on May 27, 2005. A revised EA/FONSI for the long-term renewal contract for the Feather Water District water-service replacement contract was completed August 15, 2005 (Reclamation 2005b) and the long-term renewal contract was executed on September 27, 2005.

Shasta, Trinity, and Sacramento River Divisions

Reclamation completed site-specific EA/FONSIs in 2005 for long-term contract renewals for the Shasta Division and Trinity River Divisions (Reclamation 2005c) and the Black Butte Unit, Corning Canal Unit, and the Tehama-Colusa Canal Unit of the Sacramento River Division (Reclamation 2005d). All long-term renewal contracts for the Shasta, Trinity and Sacramento River Divisions covered in these environmental documents were executed between February and May 2005. As Elk Creek Community Services District's long-term contract didn't expire until 2007, they chose not to be included at that time. Reclamation continues to work on long-term renewal contract environmental documentation for Elk Creek Community Services District.

Delta Division and U.S. Department of Veterans Affairs

Reclamation completed a site-specific EA/FONSI in 2005 for long-term contract renewals for the Delta Division (Reclamation 2005a) and the U.S. Department of Veterans Affairs (Reclamation 2005e). In 2005, Reclamation executed 17 Delta Division long-term renewal contracts, including the U.S. Department of Veterans Affairs.

Regarding certain long term contract renewals related to the Sacramento River Settlement contracts and certain Delta Division contracts, the Ninth Circuit recently held that the original Sacramento River Settlement contracts did not strip Reclamation of all discretion at contract renewal, such that Reclamation was not obligated to consult under Section 7 of the ESA. The court also held that environmental plaintiffs have standing to challenge the renewal of the Delta Division contracts under Section 7 of the ESA, even though the contracts include shortage provisions that allow Reclamation to completely withhold Project water for certain legal obligations. The court additionally found that Reclamation, even though full contract deliveries were analyzed in the 2008 delta smelt biological opinion, has yet to consult on specific contract terms to benefit delta smelt. The matter has been remanded to the District Court. Since that time, Reclamation reinitiated consultation with the USFWS on execution of the Sacramento River Settlement contracts, and the USFWS concurred that the effects of executing the contracts were addressed in the 2008 delta smelt biological opinion. The complaint has since been amended to challenge the USFWS' concurrence and raise new claims related to the 2009 salmon biological opinion issued by the National Marine Fisheries Service (NMFS). The litigation continues, but the contracts remain effective.

Contra Costa Water District

Reclamation completed a site-specific EA/FONSI in 2005 for long-term contract renewal for the Contra Costa Water District (Reclamation 2005f) and executed a long-term renewal contract in 2005.

American River Division

Reclamation completed a site-specific EIS/ROD in 2006 for long-term contract renewals for the majority of the American River Division (Reclamation 2005g). The American River Division has seven contracts that are subject to renewal. The ROD for the American River long-term renewal contract EIS was executed for five of the seven contractors. Reclamation continues to work on long-term renewal contract environmental documentation for the other two contractors.

San Felipe Division

On March 28, 2007, the San Felipe Division existing contracts were amended to incorporate some of the CVPIA requirements; however, the long-term renewal contracts for this division were not executed. The San Felipe Division contracts expire December 31, 2027. Reclamation continues to work on long-term renewal contract environmental documentation for the San Felipe Division.

Pending Long-term Contracts

Long-term renewal contracts have not been completed for the City, Cross Valley contractors, the San Luis Unit (which includes Westlands Water District [Westlands]) and the 3-way partial assignment from Mercy Springs Water District to Pajaro Valley Water Management Agency, Santa Clara Valley Water District, and Westlands Distribution District #1 pending completion of appropriate environmental documents.

1.2 Need for the Proposed Action

Interim renewal contracts are needed to provide for the continued beneficial use of the water developed and managed by the CVP and for the continued reimbursement to the federal government for costs related to the construction and operation of the CVP by the City. Additionally, CVP water is essential to continue municipal viability for the City.

As described in Section 1.1.2, execution of long-term renewal contract with the City is still pending. The Proposed Action is to execute an interim renewal contract in order to extend the term of the City's existing interim renewal contract for two years, beginning March 1, 2018 and ending February 29, 2020. Execution of this interim renewal contract is needed to continue delivery of CVP water to the City, and to further implement CVPIA Section 3404(c), until the City's new long-term renewal contract can be executed. This long-term renewal contract has generally been negotiated but cannot be finalized until site specific environmental review is completed.

1.3 Scope

Reclamation has prepared this EA, which tiers from the PEIS, to determine the site specific environmental effects of executing an interim contract renewal with the City for the period of March 1, 2018 through February 29, 2020. Under the Proposed Action, CVP water would be delivered for municipal and industrial (M&I) purposes only within the City's existing CVP service area boundaries using existing facilities within Reclamation's water right place of use. See Appendix A for the City's CVP service area map.

In 2004, Reclamation approved two assignments to the City: (1) an assignment from the West Side Irrigation District for 2,500 acre-feet (AF) per year (AFY) with an option to purchase another 2,500 AFY (Contract No. 7-07-20-W0045-IR13-B) and (2) an assignment from Banta Carbona Irrigation District for 5,000 AFY (Contract No. 14-06-200-4605A-IR13-B). The assignments from Banta Carbona Irrigation District and the West Side Irrigation District increased the City's CVP water supply from 10,000 AF to 17,500 AF and converted the use of these water supplies from agricultural to M&I. The conversions and assignments of these two contracts were previously analyzed under EA-01-063 and EA-01-064 and are hereby incorporated by reference (Reclamation 2003a, 2003b). The City exercised its right to purchase the remaining 2,500 AFY from The West Side Irrigation District during the term of the first combined interim renewal contract which was analyzed in EA-01-064.

Ongoing CVP operations concerning Delta exports are outside the scope of this EA. No changes to CVP operations in the Delta or upstream are part of the Proposed Action. The diversion of CVP water for export to south-of-Delta contractors was described in the PEIS (see Chapter III of the PEIS). These exports include up to 1,980,000 AF for agricultural contractors, up to 880,000 AF for the San Joaquin River Exchange Contractors and certain other prior rights settlement contractors, and up to 160,000 AF for M&I contractors. In addition, on January 11, 2016, Reclamation issued a ROD (Reclamation 2016b) addressing the environmental effects of implementing reasonable and prudent alternatives (RPAs) affecting the CVP/State Water Project (SWP) long-term operations (LTO). Because the proposed execution of interim renewal contracts is administrative in nature and does not affect the operations of the CVP or SWP, this EA covers the site specific environmental analysis of issuing the proposed interim renewal contracts over a two year period, with CVP operations continuing as assumed in the PEIS.

1.4 Issues Related to CVP Water Use Not Analyzed

1.4.1 Contract Service Areas

No changes to any contractor's service area are included as a part of the alternatives or analyzed within this EA. Reclamation's approval of a request by a contractor to change its existing service area would be a separate discretionary action. Separate appropriate environmental compliance and documentation would be completed before Reclamation approves a land inclusion or exclusion to any contractor's service area.

1.4.2 Water Transfers and Exchanges

No sales, transfers, or exchanges of CVP water are included as part of the alternatives or analyzed within this EA. Reclamation's approvals of water sales, transfers, and exchanges are separate discretionary actions requiring separate additional or supplementary environmental compliance. Approval of these actions is independent of the execution of interim renewal contracts. Pursuant to Section 3405 of the CVPIA, transfers of CVP water require appropriate site-specific environmental compliance. Appropriate site-specific environmental compliance is also required for all CVP water exchanges.

1.4.3 Contract Assignments

Assignments of CVP contracts are not included as part of the alternatives or analyzed within this EA. Reclamation's approvals of any assignments of CVP contracts are separate, discretionary actions that require their own environmental compliance and documentation.

1.4.4 Warren Act Contracts

Warren Act contracts between Reclamation and water contractors for the conveyance of non-federal water through federal facilities or the storage of non-federal water in federal facilities are not included as a part of the alternatives or analyzed within this EA. Reclamation decisions to enter into Warren Act contracts are separate actions and independent of the execution of interim renewal contracts. Separate environmental compliance would be completed prior to Reclamation executing Warren Act contracts.

1.4.5 Purpose of Water Use

Use of contract water for M&I use under the proposed interim renewal contracts would not change from the purpose of use specified in the existing contracts. Any change in use for these contracts would be separate, discretionary actions that require their own environmental compliance and documentation.

Section 2 Alternatives Including the Proposed Action

This EA considers two possible actions: the No Action Alternative and the Proposed Action. The No Action Alternative reflects future conditions without the Proposed Action and serves as a basis of comparison for determining potential effects to the human environment. A reduced-quantity alternative was excluded from detailed analysis based on the results of the updated Water Needs Assessment.

2.1 No Action Alternative

Under the No Action alternative, Reclamation would not renew the City's interim renewal contract that expires on February 28, 2018. Reclamation would continue to pursue execution of long-term contract renewal for the City, as mandated by Section 3404(c) of the CVPIA. However, as environmental documentation has not been completed for their long-term contract, it is likely that a contract would not be in place within the term of their existing interim renewal contract. There would be no contractual mechanism for Reclamation to deliver up to 20,000 AFY of CVP water to the City once the current contract expires and the existing water supply needs of the City's customers would be unmet. To offset the loss of up to 20,000 AFY, the City would likely pump additional groundwater or purchase additional surface water on the open market.

Reclamation would continue to deliver full CVP water contract amounts to south-of-Delta CVP contractors consistent with CVP operations, as analyzed in the PEIS, accounting for hydrologic conditions and regulatory and environmental requirements.

In general, for most water year types, Reclamation does not anticipate a change in CVP pumping in the Delta or operations under the No Action alternative, as water would continue to be diverted and stored upstream of the Delta consistent with CVP operations described in the PEIS. However, it is possible that in wetter years the up to 20,000 AF that otherwise would have been made available to the City would be re-apportioned either by (1) re-allocating to other south-of-Delta CVP contractors including wildlife refuges, (2) retained in upstream CVP storage, (3) released for use by other water rights diverters, or (4) passed through the Delta un-diverted by Reclamation. The method by which Reclamation would determine this re-apportionment is outside the scope of this EA. The actual re-apportionment would be dependent on specific hydrologic conditions, as well as regulatory, and environmental requirements at issue.

2.2 Proposed Action

Under the Proposed Action alternative, Reclamation would execute an interim renewal contract with the City for a two year period (March 1, 2018 through February 29, 2020). The City is on

its second interim renewal contract and the Proposed Action would be its third. Drafts of the City's interim renewal contract was released for public review on November 21, 2017 at the following website: https://www.usbr.gov/mp/cvpia/3404c/lt_contracts/2018-int-cts/index.html.

The Proposed Action contains only minor, administrative changes to the contract provisions to update the new contract period from the previous interim renewal contract. In the event a new long-term water service contract is executed, the interim renewal contract then-in-effect would be superseded by the long-term water service contract.

No changes to the City's service area or water deliveries are part of the Proposed Action. CVP water deliveries under the proposed interim renewal contract can only be used within the City's designated contract service area (see Appendix A for service area map). The contract service area for the proposed interim renewal contract has not changed from the existing interim renewal contract. If the City proposes to change the designated contract service area, separate environmental documentation and approval will be required. CVP water can be delivered under the interim renewal contract in quantities up to the contract total, as provided under Article 3 of the Interim Renewal Contract.

The interim renewal contract contains provisions that allow for adjustments resulting from court decisions, new laws, and from changes in regulatory requirements imposed through re-consultations. Accordingly, to the extent that additional restrictions are imposed on CVP operations to protect threatened or endangered species, those restrictions would be implemented in the administration of the interim renewal contract considered in this EA, to the extent allowed by law. As a result, by their express terms the interim renewal contract analyzed herein would conform to any applicable requirements lawfully imposed under the federal ESA or other applicable environmental laws.

2.2.1 Environmental Commitments

Reclamation and the City shall implement the environmental protection measures included in Table 2.

Table 2 Environmental Protection Measures and Commitments.

Resource	Protection Measure
Biological Resources	No CVP water would be applied to native lands or land untilled for three consecutive years or more without additional environmental analysis and approval.
Water Resources	CVP water may only be served within areas that are within the CVP Place of Use.
Various	No new construction or modification of existing facilities would take place as part of the Proposed Action.

Environmental consequences for resource areas assume the measures specified would be fully implemented

2.3 Alternatives Considered but Eliminated from Further Analysis

The United States Court of Appeals for the Ninth Circuit in Pacific Coast Federation of Fishermen's Associations v. United States Department of the Interior, Case No. 14-15514, 655 F. Appx. 595 (2016), stated that "In satisfying the duty [of considering a reduced contract

alternative], Reclamation may rely upon any water needs assessment for which the data remain accurate” (Case: 14-15514, 07/25/2016, pg 11).

Following the directions provided in the Ninth Circuit’s decision, Reclamation reviewed the previous Water Needs Assessment completed for the City and determined that updates were warranted. Reclamation has applied the Ninth Circuit’s direction in the preparation of the updated Water Needs Assessment and has used the updated assessment in deciding whether or not to consider analyzing a reduced contract quantity alternative in detail.

Water Needs Assessments were prepared by Reclamation between 2000 and 2004 for each CVP contractor eligible to participate in the CVP long-term contract renewal process, including the City. A description of those Water Needs Assessments and the methodology used by Reclamation are included in Appendix B.

Water Needs Assessments are used to show what quantity of CVP water could be beneficially used by a particular contractor given a constant reliable source of water, growing seasons, crop prices, and other ideal water delivery conditions. The Water Needs Assessments serve three purposes:

1. Confirm past beneficial use of CVP water.
2. Provide water demand and supply information under current and future conditions for the environmental documents.
3. Provide an estimate of contractor-specific needs for CVP water by the year 2050 to serve as a starting point for discussions regarding contract quantities in the negotiation process.

2.3.1 City of Tracy Water Needs Assessment

Following the Ninth Circuit’s decision, Reclamation reviewed the previous Water Needs Assessment completed for the City and determined that updates to the assessment were warranted. Reclamation prepared an updated Water Needs Assessment for the City in 2017 (Appendix C) following the same methodology used in the previous Water Needs Assessments (Appendix B) with the following modifications:

Benchmark Years

As Reclamation is required to provide long-term contract renewals for these contractors (pending site-specific environmental review), and the interim contracts are intended to be the bridge to the long-term contract renewals, Reclamation prepared updated Water Needs Assessments where warranted to cover the long-term contract renewal time period. Reclamation used the year 2050 as a convenient future benchmark since some CVP M&I contracts, such as the City, are eligible for a term of up to 40 years (as described in Section 1.1.1), and using the same (or nearly same) benchmark period will better enable Reclamation to apply consistent comparisons in its overall environmental analyses as well as affording Reclamation the opportunity to rely on the same updated Water Needs Assessments for a broad range of interim or long-term contract renewals that falls within the time period covered.

Water Supply Calculations

As part of the Water Needs Assessment process, Reclamation reviewed the City’s most recent water supply demands and all available water supplies (including CVP water supplies), conferred

with the contractor to verify current water use, and determined that the numbers in the updated Water Needs Assessments (Appendix C) are a reasonable projection of water use for the benchmark year 2050.

Water Demand

Reclamation applied the gallons per capita per day (GPCD) from the 2013 California Water Plan Update (e.g., Volume 1 page 3-79) to calculate M&I contractor needs in the benchmark year 2050 (State of California 2013).

As described in Appendix B (methodology), the Water Needs Assessment compares the contractor's water demand to the contractor's water supply (all sources, including CVP maximum contract amounts). The demand in excess of supply is identified as Unmet Demand. If Unmet Demand is "positive or only slightly negative" (meaning that the contractor's need is determined to be above or only slightly below the contract maximum) then the CVP water contractor is deemed to have full future need of the maximum annual CVP supply currently under contract for all year types. Further, "[i]f the negative amount is within 10% for contracts in excess of 15,000 acre-feet, or within 25% for contracts equal to, or less than, 15,000 acre-feet; the test of full future need of CVP supplies under contract is deemed to be met." If an assessment shows that a contractor has full future need of the maximum contract amount, the contractor is deemed to be able to put maximum contract amount to beneficial use.

As part of the Water Needs Assessment for the City, Reclamation reviewed the City's most recent Urban Water Management Plan (City of Tracy 2016), conferred with the City to verify current water use, and determined that the new and updated Water Needs Assessment (Appendix C) is a reasonable projection of water use for the benchmark year 2050.

Each year displayed within the updated Water Needs Assessments represents a snapshot in time showing either (1) the risk-based assumptions coming into the year and what actually occurred (e.g. 2011), or (2) what is projected to reasonably occur for a given set of assumptions (e.g. year 2050).

In the updated Water Needs Assessment, the City's water demands were compared to its sources of water supply to determine the need for CVP water. The difference is shown in Column 39 (Unmet Demand).² As shown in Column 39 of Appendix C, the updated Water Needs Assessment indicates that the City had a surplus in 2011 (the most recent year of data available in the City's 2015 Urban Water Management Plan) of 1 AF and is projected to have unmet demands in 2050 of 13,023 AF.

As the City is projected to have unmet demand in 2050, even after receiving maximum contract amounts, Reclamation has determined that the City has the capability to put their maximum contract quantity to beneficial use and will continue to have that capability in the future. As such, Reclamation has determined that detailed analysis of a reduced contract quantity alternative for the City is not warranted.

² Numbers in this column are positive (e.g., 100 AF) if there is an unmet demand and negative (e.g., -100 AF) if there is surplus beyond demand.

Section 3 Affected Environment and Environmental Consequences

This section describes the service area for the City which receives CVP water from the Delta via the Delta-Mendota Canal. The study area, shown in Figure 1, includes a portion of San Joaquin County. The City’s CVP service area map is included in Appendix A.

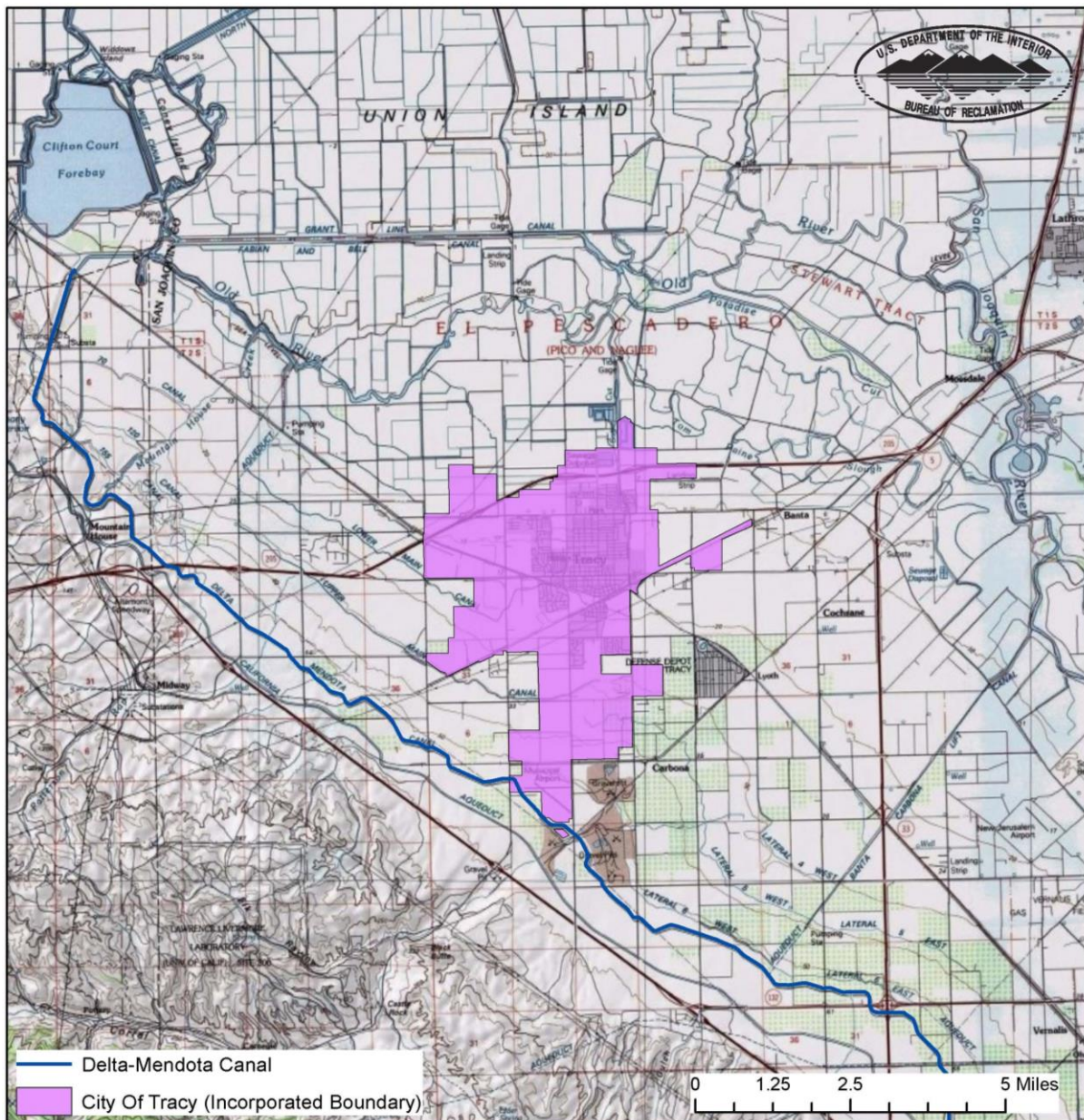


Figure 1 Proposed Action Area.

3.1 Resources Eliminated from Further Analysis

Reclamation analyzed the affected environment and determined that the Proposed Action would not have the potential to cause direct, indirect, or cumulative adverse effects to the resources listed in Table 3.

Table 3 Resources Eliminated from Further Analysis

Resource	Reason Eliminated
Cultural Resources	There would be no impacts to cultural resources as a result of implementing the Proposed Action as the Proposed Action would facilitate the flow of water through existing facilities to existing users. No new construction or ground disturbing activities would occur as part of the Proposed Action. Reclamation has determined that these activities have no potential to cause effects to historic properties pursuant to 36 CFR Part 800.3(a)(1). See Appendix D for Reclamation's determination.
Global Climate Change	<p>Recently, the U.S. Global Research Program (USGRP) concluded in its Climate Science Special Report (2017) that "Many lines of evidence demonstrate that it is <i>extremely likely</i> that human influence has been the dominant cause of the observed warming since the mid-20th century." The USGRP also concludes that "Global climate is projected to continue to change over this century and beyond. The magnitude of climate change beyond the next few decades will depend primarily on the amount of greenhouse (heat trapping) gases emitted globally and on the remaining uncertainty in the sensitivity of the Earth's climate to those emissions (<i>very high confidence</i>)."</p> <p>Reclamation developed a global climate model in 2016 for the Sacramento and San Joaquin Basins. The model predicts increased temperatures, increased precipitation, increased runoff, and reduced snowpack at higher latitudes during the 21st century.</p> <p>The Proposed Action does not include construction of new facilities or modification to existing facilities. While pumping would be necessary to deliver CVP water, no additional electrical production beyond baseline conditions would occur. In addition, the generating power plant that produces electricity for the electric pumps operates under permits that are regulated for greenhouse gas emissions. As such, there would be no additional impacts to global climate change. Global climate change is expected to have some effect on the snow pack of the Sierra Nevada and the runoff regime. It is anticipated that climate change would result in more short-duration high-rainfall events and less snowpack runoff in the winter and early spring months by 2030 compared to recent historical conditions (Reclamation 2016a, pg 16-26). However, the effects of this are long-term and are not expected to impact CVP operations within the two-year window of this action. Further, CVP water allocations are made dependent on hydrologic conditions and environmental requirements. Since Reclamation operations and allocations are flexible, any changes in hydrologic conditions due to global climate change would be addressed within Reclamation's operation flexibility.</p>
Indian Sacred Sites	The Proposed Action would not limit access to and ceremonial use of Indian sacred sites on Federal lands by Indian religious practitioners or affect the physical integrity of such sacred sites. There would be no impacts to Indian sacred sites as a result of the Proposed Action.
Indian Trust Assets	The Proposed Action would not impact Indian Trust Assets as there are none in the Proposed Action area.
Land Use	The interim renewal contract for the City under either alternative would not provide for additional water supplies that could act as an incentive for conversion of native habitat. Use of contract water for M&I purposes under the proposed interim renewal contract would not change from the purpose of use specified in their existing contract. Consequently, there would be no impacts to land use as a result of the Proposed Action.

3.2 Air Quality

Section 176 (C) of the Clean Air Act (42 U.S.C. 7506 (C)) requires any entity of the federal government that engages in, supports, or in any way provides financial support for, licenses or

permits, or approves any activity to demonstrate that the action conforms to the applicable State Implementation Plan required under Section 110 (a) of the Federal Clean Air Act (42 U.S.C. 7401 [a]) before the action is otherwise approved. In this context, conformity means that such federal actions must be consistent with State Implementation Plan's purpose of eliminating or reducing the severity and number of violations of the National Ambient Air Quality Standards and achieving expeditious attainment of those standards. Each federal agency must determine that any action that is proposed by the agency and that is subject to the regulations implementing the conformity requirements would, in fact conform to the applicable State Implementation Plan before the action is taken.

On November 30, 1993, the Environmental Protection Agency promulgated final general conformity regulations at 40 CFR 93 Subpart B for all federal activities except those covered under transportation conformity. The general conformity regulations apply to a proposed federal action in a non-attainment or maintenance area if the total of direct and indirect emissions of the relevant criteria pollutants and precursor pollutant caused by the Proposed Action equal or exceed certain *de minimis* amounts thus requiring the federal agency to make a determination of general conformity.

3.2.1 Affected Environment

The City lies within the San Joaquin Valley Air Basin under the jurisdiction of the San Joaquin Valley Air Pollution Control District. The Air Basin has been designated under Federal standards as in attainment for carbon monoxide, nitrogen dioxide, sulfur dioxide, and particulate matter under 10 microns in diameter (PM₁₀). The Air Basin is in non-attainment for ozone (8-hour criteria) and particulate matter under 2.5 microns in diameter [PM_{2.5}] (San Joaquin Valley Air Pollution Control District 2017).

3.2.2 Environmental Consequences

No Action

Implementation of the No Action Alternative would mean the City's existing interim renewal contract would expire in February 2018 and the City would no longer receive CVP water allocated pursuant to this contract for M&I use. Without this source of water, the City would increase groundwater pumping or purchase additional surface water supplies from willing sellers. Any additional groundwater pumping would increase criteria pollutants during operation; however, these are existing wells that are used to meet existing needs and are generally part of baseline conditions. Therefore, there would be minimal change in air quality conditions within the City as a result of the No Action alternative. In addition, any change in air quality conditions due to increased pumping may also be offset with the re-allocation of this water to south-of-Delta CVP contractors who may reduce their reliance on groundwater pumping.

Proposed Action

Under the Proposed Action, CVP water would continue to be conveyed through existing facilities either via gravity or electric pumps which would not produce air pollutant emissions that impact air quality. In addition, there would be no construction or modification of facilities that could result in emissions; therefore, the Proposed Action would not exceed *de minimis* levels and a general conformity analysis is not required.

Cumulative Impacts

The Proposed Action would not result in cumulative air quality impacts as there are no direct or indirect air quality impacts.

3.3 Biological Resources

3.3.1 Affected Environment

The Proposed Action area includes the City's designated CVP contract service area (Appendix A). There are no changes to the City's CVP service area or water deliveries associated with the Proposed Action.

Reclamation requested an official species list for the entire Action area from the USFWS on August 17, 2017, by accessing their database: <https://ecos.fws.gov/ipac/> (Consultation Code: 08ESMF00-2017-SLI-2969). Reclamation further queried the California Department of Fish and Wildlife, California Natural Diversity Database (CNDDDB) for records of protected species, including birds species protected by the federal Migratory Bird Treaty Act, within 10 miles of the project location (CNDDDB 2017). The two lists, in addition to other information within Reclamation's files, were combined to create the following list of federally protected species (Table 4).

Table 4 Federally Protected Species List.

Species	Status¹	Effects²	Summary basis for Effects determination
Amphibians			
California red-legged frog (<i>Rana draytonii</i>)	T	NE	Native lands and lands fallowed and untilled for three or more years would not be brought into production as part of the Proposed Action.
California tiger salamander, (<i>Ambystoma californiense</i>)	T	NE	Native lands and lands fallowed and untilled for three or more years would not be brought into production as part of the Proposed Action.
Birds			
Burrowing Owl (<i>Athene cunicularia</i>)	MBTA	NT	Species is presumed extant in service area and suitable habitat present. However, there is no construction of new facilities and no conversion of lands from existing uses under the Proposed Action.
Swainson's Hawk (<i>Buteo swainsoni</i>)	MBTA	NT	Species is presumed extant in service area during nesting season (from March 1 through September 15) and suitable habitat present. However, there is no construction of new facilities and no conversion of lands from existing uses under the Proposed Action.
Fish			
Central Valley spring-run chinook salmon (<i>Oncorhynchus tshawytscha</i>)	T	NE	Effects of pumping in the San Joaquin-Sacramento Delta are a result of CVP operations and have been/are being addressed separately under the CVP/SWP Coordinating Operations consultation.
Central Valley steelhead (<i>Oncorhynchus mykiss</i>)	T, X	NE	Effects of pumping in the San Joaquin-Sacramento Delta are a result of CVP operations and have been/are being addressed separately under the CVP/SWP Coordinating Operations consultation.
Delta smelt (<i>Hypomesus transpacificus</i>)	T, X	NE	Effects of pumping in the San Joaquin-Sacramento Delta are a result of CVP operations and have been/are being addressed separately under the CVP/SWP Coordinating Operations consultation.

Species	Status ¹	Effects ²	Summary basis for Effects determination
North American green sturgeon (<i>Acipenser medirostris</i>)	T, X	NE	Effects of pumping in the San Joaquin-Sacramento Delta are a result of CVP operations and have been/are being addressed separately under the CVP/SWP Coordinating Operations consultation.
Winter-run chinook salmon, Sacramento River (<i>Oncorhynchus tshawytscha</i>)	E	NE	Effects of pumping in the San Joaquin-Sacramento Delta are a result of CVP operations and have been/are being addressed separately under the CVP/SWP Coordinating Operations consultation.
Invertebrates			
San Bruno Elfin butterfly (<i>Callophrys mossii bayensis</i>)	E	NE	Proposed Action area is outside species' range.
Valley elderberry longhorn beetle (<i>Desmocerus californicus dimorphus</i>)	T	NE	There is a potential for this species to be present in the Proposed Action Area if its host plant, the elderberry, is present. However, there is no construction of new facilities and no conversion of lands from existing uses under the Proposed Action.
Vernal pool fairy shrimp (<i>Branchinecta lynchi</i>)	T	NE	There is no vernal pool or other seasonal wetland habitat in the Proposed Action Area.
Vernal pool tadpole shrimp (<i>Lepidurus packardii</i>)	E	NE	There is no vernal pool habitat in the Proposed Action Area.
Mammals			
Riparian Brush Rabbit <i>Sylvilagus bachmani riparius</i>	E	NE	Proposed Action Area outside species' range.
San Joaquin kit fox (<i>Vulpes macrotis mutica</i>)	E	NE	Presumed extant in and around the City's service area, and suitable habitat present. However, there is no construction of new facilities and no conversion of lands from existing uses under the Proposed Action.
Plant			
Large-flowered fiddleneck (<i>Amsinckia grandiflora</i>)	E	NE	Proposed Action area is outside species' range.
Reptiles			
Giant garter snake (<i>Thamnophis gigas</i>)	T	NE	Proposed Action area is outside species' range.

¹Status= Listing of Federally special status species under the Endangered Species Act, unless otherwise specified.

E: Listed as Endangered under the federal Endangered Species Act

MBTA: Species protected under the Migratory Bird Treaty Act

T: Listed as Threatened under the federal Endangered Species Act

X: Critical habitat designated under the federal Endangered Species Act

²Effects = Effect determination

NE: No Effect from the Proposed Action on federally-listed species

NT: No Take would occur from the Proposed Action to migratory birds

Critical Habitat and Special-status Species within the City's CVP Service Area

No proposed or designated critical habitat occurs within the City's service area, except for Delta smelt. Lands within the Action area are predominately urban development (City of Tracy 2011b).

Few special-status species can use these lands except for the Burrowing Owl, Swainson's Hawk, and San Joaquin kit fox.

San Joaquin County Multi-Species Habitat Conservation and Open Space Plan

The City is a participant in the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (San Joaquin County HCP) which was adopted in 2001 (San Joaquin HCP 2000). The HCP is intended to provide a strategy for conserving agricultural lands and wildlife habitat while accommodating population growth and property rights of individual landowners. The HCP includes coverage of affects to foraging habitat for Swainson's Hawk, Burrowing Owl and numerous other bird species, potential nesting habitat for burrowing owl, and potential foraging and dispersal habitat for San Joaquin kit fox, among others.

Documents Addressing Potential Impacts of Actions of the CVP (Other than the Proposed Action) to Listed Species

Coordinated Operations of the CVP and SWP In December 2008, USFWS issued a biological opinion analyzing the effects of the coordinated long-term operation of the CVP and SWP in California (USFWS 2008). The USFWS biological opinion concluded that “the coordinated operation of the CVP and SWP, as proposed, was likely to jeopardize the continued existence of the Delta smelt” and “adversely modify Delta smelt critical habitat.” The USFWS biological opinion included RPAs for CVP and SWP operations designed to allow the projects to continue operating without causing jeopardy or adverse modification. On December 15, 2008, Reclamation provisionally accepted and then implemented the USFWS RPA.

NMFS issued its biological opinion analyzing the effects of the coordinated long-term operation of the CVP and SWP on listed salmonids, Southern distinct population segment (DPS) North American green sturgeon, and Southern Resident killer whale in June 2009 (NMFS 2009). The NMFS biological opinion concluded that the long-term operation of the CVP and SWP, as proposed, was likely to jeopardize the continued existence of Sacramento River winter-run Chinook salmon, Central Valley spring-run Chinook salmon, Central Valley steelhead, Southern DPS of North American green sturgeon, and Southern Resident killer whales. Also the NMFS biological opinion concluded that the CVP/SWP Coordinated Operations, as proposed, was likely to destroy or adversely modify critical habitat for Sacramento River winter-run Chinook salmon, Central Valley spring-run Chinook salmon, Central Valley steelhead and the Southern DPS of North American green sturgeon. The NMFS biological opinion included an RPA designed to allow the projects to continue operating without causing jeopardy or adverse modification. On June 4, 2009, Reclamation provisionally accepted and then implemented the NMFS RPA.

However, following their provisional acceptance, both biological opinions were subsequently challenged in Court, and following lengthy proceedings, the United States District Court for the Eastern District of California remanded the biological opinions, and Reclamation was ordered by the Court to comply with the National Environmental Policy Act (NEPA) before accepting the RPAs. In March and December 2014, the biological opinions issued by the USFWS and NMFS, respectively, were upheld by the Ninth Circuit Court of Appeals, although certain requirements (such as an obligation for Reclamation to follow a NEPA process) were left in place. Reclamation completed NEPA on the CVP/SWP Coordinated Operations biological opinions and issued a ROD on January 11, 2016. Since then, Reclamation has re-initiated consultation with USFWS on the CVP/SWP Coordinated Operations. That process is ongoing.

O&M Program for the South-Central California Area Office Reclamation has consulted under the ESA on the *Operation and Maintenance Program Occurring on Bureau of Reclamation Lands within the South-Central California Area Office*, resulting in a biological opinion issued by USFWS on February 17, 2005 (USFWS 2005). The opinion considers the effects of routine O&M of Reclamation’s facilities used to deliver water to the study area, as well as certain other facilities within the jurisdiction of the South-Central California Area Office, on California tiger salamander, vernal pool fairy shrimp, valley elderberry longhorn beetle, blunt-nosed leopard lizard, vernal pool tadpole shrimp, San Joaquin woolly-threads, California red-legged frog, giant garter snake, San Joaquin kit fox, and on proposed critical habitat for the California red-legged frog and California tiger salamander.

3.3.2 Environmental Consequences

No Action

Under the No Action alternative, Reclamation's existing and future environmental commitments addressed in biological opinions, including the CVPIA biological opinion (USFWS 2000) would continue to be met, including continuation of ongoing species conservation programs.

The City is a CVP M&I contractor, and under the No Action alternative would no longer receive this source of water. Without water, the City would likely offset the loss of up to 20,000 AFY through additional groundwater pumping or surface water acquisition and would, therefore, not impact biological resources as conditions would remain the same as current conditions in the City.

Proposed Action

CVP-wide impacts to biological resources were evaluated in the PEIS, and a USFWS biological opinion addressing potential CVP-wide impacts of the CVPIA was completed on November 21, 2000 (USFWS 2000). In addition, the programmatic biological opinion and Essential Fish Habitat Conservation Recommendations prepared by NMFS for the CVPIA were completed on November 14, 2000 (NMFS 2000). The Proposed Action would meet environmental commitments in existence as a result of existing biological opinions, including those for the CVPIA and the coordinated long-term operations of the CVP and SWP.

The Proposed Action would not result in any change in existing water diversions from the Delta nor would it require construction of new facilities or modification of existing facilities for water deliveries. The City's CVP water supply would continue to be used for M&I purposes within its existing CVP service area as shown in Appendix A. In addition, the City has confirmed that the water would be delivered to existing urban development, through existing facilities, as has been done under the existing contract, and would not be used for land conversion (Personal communication with S. Bayley, City of Tracy). As the action is only for up to two years, the City would not be able to rely on this water to plan or implement additional expansion of homes or businesses. Therefore, Reclamation has determined that there would be *No Effect* to species and critical habitat for the Proposed Action under the jurisdiction of USFWS and NMFS beyond those previously covered under the ESA on the CVP/SWP Coordinated Operations (USFWS 2008, NMFS 2009) and Operation and Maintenance Program (USFWS 2005). Also, as delivery of CVP water under this alternative would support existing land use patterns, take would not occur as defined by the Migratory Bird Treaty Act.

Cumulative Impacts

The Proposed Action, when added to other past, present, and reasonably foreseeable future actions, represents a continuation of existing conditions which are unlikely to result in cumulative impacts on the biological resources of the study area. The Proposed Action provides for the delivery of the same contractual amount of water to the same lands for existing purposes without the need for facility modification or construction. In addition, the Proposed Action would be subject to regulatory constraints imposed pursuant to the ESA, regardless of whether those constraints exist today. As such, there would be no cumulative adverse impacts as a result of the Proposed Action.

3.4 Environmental Justice

Executive Order 12898 (February 11, 1994) mandates Federal agencies to identify and address disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority and low-income populations.

3.4.1 Affected Environment

The City is located within the San Joaquin County. As shown in Table 5, the City's demographic and socioeconomic setting differs from the State of California. The unemployment rate for the City was 9.7% compared to 4.8% for the State of California. The number of people below the poverty level in the City is less than the State of California (8.6% to 16.3%, respectively).

Table 5 City of Tracy Demographics

Demographics	City of Tracy	San Joaquin County	California
Total Population (2010 estimate)	83,353	685,308	37,254,522
White, non-Hispanic	36.2%	35.9%	40.1%
Black or African American	7.2%	7.6%	6.2%
American Indian or Alaska Native	0.9%	1.1%	1.0%
Asian	14.7%	14.4%	13.0%
Native Hawaiian/Pacific Islander	0.9%	0.5%	0.4%
Hispanic or Latino	36.9%	38.9%	37.6%
July 2017 Unemployment rate	9.7%	7.7%	4.8%
% Total Population Identified as Minority	63.8%	64.1%	59.9%
% Total Population Below Poverty Level (2011-2015)	8.6%	18.6%	16.3%

Sources: U.S. Census Bureau 2017, State of California Employment Development Department 2017, U.S. Census Bureau 2011-2015.

3.4.2 Environmental Consequences

No Action

Under the No Action Alternative, Reclamation would not renew the City's interim renewal. The City relies on this source of water for a portion of its water supply. Without this water supply, the City would need to offset the loss by increasing groundwater pumping or purchasing additional surface water on the open market. The cost of water on the open market is usually much greater than CVP water and would, therefore, increase the cost of water for its customers. This could decrease employment opportunities for low-income wage earners and minority population groups. This could have an adverse impact to minority and disadvantaged populations.

Proposed Action

As the Proposed Action would be a continuation of current conditions, it would not disproportionately impact economically disadvantaged or minority populations as there would be no changes to existing conditions.

Cumulative Impacts

The Proposed Action would not differ from current or historical conditions, and would not disproportionately affect minority or low income populations in the future; therefore, there would be no cumulative impacts as a result of the Proposed Action.

3.5 Socioeconomic Resources**3.5.1 Affected Environment**

The City, located in San Joaquin County, lies between the San Francisco and Sacramento metropolitan areas and is considered an important suburb of the San Francisco Bay Area (City of Tracy 2017). The City was initially started as an agricultural community but has since developed into a primarily residential community due to the influx of people from the Bay Area seeking affordable housing (City of Tracy 2011b).

Demographic information for the City, San Joaquin County, and the State is summarized in Table 5. In July 2017, unemployment rates for the City were about five percent higher than the State, although the percentage of the population below poverty level is nearly 10% lower than the State.

3.5.2 Environmental Consequences***No Action***

Under the No Action alternative, the City would no longer receive this source of water. Without this water supply, the city would need to offset the loss with increasing groundwater pumping or the cost of purchasing water, if available. Water purchased on the open market is usually much greater than the rates for CVP water supplies (Personal communication with S. Bayley, City of Tracy). This additional cost may have adverse impacts on socioeconomics within the City.

Proposed Action

The proposed execution of an interim renewal contract with the City would not result in a change in contract water quantities or a change in water use and would continue water deliveries within the City's service area. As a result, the municipal viability for the City would be maintained and there would be no impact to socioeconomics under the Proposed Action compared to the No Action alternative.

Cumulative Impacts

The Proposed Action would maintain the status quo of delivering the same contractual amount of CVP water for existing purposes within the City without the need for additional facility modification or construction. As such, there would be no cumulative adverse impacts to socioeconomics.

3.6 Water Resources**3.6.1 Affected Environment**

The Proposed Action area includes the City's CVP service area.

Central Valley Project

Reclamation makes CVP water available to contractors for reasonable and beneficial uses, but CVP water supply varies widely from year to year and sometimes even within a given year due to hydrologic conditions or regulatory constraints. As shown in Table 6, south-of-Delta CVP M&I allocations averaged 74 percent between 2005 and 2017. A 100 percent supply was received in years 2017, 2011, 2006, and 2005.

Table 6 South-of-Delta CVP M&I Contract Allocations between 2005 and 2017

Contract Year	M&I Allocations (%)
2017	100
2016	55
2015	25
2014	50
2013	70
2012	75
2011	100
2010	75
2009	60
2008	75
2007	75
2006	100
2005	100
Average	74

Source: http://www.usbr.gov/mp/cvo/vungvari/water_allocations_historical.pdf

CVP Water Delivery Criteria The amount of CVP water available each year for CVP contractors is based, among other considerations, on the storage of winter precipitation and the control of spring runoff in the Sacramento and San Joaquin River basins. Reclamation's delivery of CVP water diverted from these rivers is determined by state water right permits, judicial decisions, and state and federal obligations to maintain water quality, enhance environmental conditions, and prevent flooding. The CVPIA PEIS considered the effects of those obligations on CVP contractual water deliveries. Experience since completion of the CVPIA PEIS has indicated that there are more instances of severe contractual shortages applicable to south-of-Delta water deliveries (Reclamation 1999) than was estimated in the period of review, and this information has been incorporated into the modeling for the current CVP/SWP Coordinated Operations of the Delta (Reclamation 2004c).

Contractor's Water Needs Assessment

As discussed in Section 2.3, an updated Water Needs Assessment (Appendix C) was developed for the City. As shown in Appendix C, the City has an estimated unmet demand of 13,023 AF for the year 2050, therefore, the City is determined to have full future need of the maximum annual CVP water supply currently under contract for all year types.

City of Tracy

The City provides water service to its residents as well as to approximately 400 residents of the Larch-Clover County Services District and the unincorporated Patterson Business Park (City of Tracy 2011a). The City's water needs are met through surface water and groundwater from the following sources: CVP contracts, surface water from the South County Water Supply Program,

and local groundwater. Historically, between 50 to 60 percent of the City's water needs were met with surface water and the remaining through groundwater (City of Tracy 2011a). Between 2005 and 2017, surface water supplies ranged from 66 percent to 97 percent of total water supplies used within the City.

Since 2005, the City has received a supplemental supply from the Stanislaus River through the South County Water Supply Program, which is a cooperative effort of the South San Joaquin Irrigation District and the Cities of Manteca, Escalon, Lathrop, and Tracy.

The Tracy groundwater storage basin has been predicted to have a safe yield³ of approximately 9,000 AFY; however, the City's long-term plans are to reduce the use of groundwater except for emergency or high peak demands (City of Tracy 2011b). The City predicts that all water demands, approximately 30,100 AFY in 2041, would be met or exceeded by their sources.

CVP Contracts On July 22, 1974 the City signed a long-term water service contract (Contract No. 14-06-200-7858A) with Reclamation for 10,000 AFY of CVP water from the Delta (Reclamation 1974), which expired December 31, 2013. In addition, as described in Section 1.3, Reclamation approved the partial assignments from Banta Carbona Irrigation District and The West Side Irrigation District to the City in 2004 for 5,000 AFY and 2,500 AFY, respectively (Reclamation 2006b and 2006c). The assignment from The West Side Irrigation District included an option for the City to purchase an additional 2,500 AFY for a contract total of 5,000 AFY. As described in Section 1.3, the total amount (5,000 AFY) being delivered to the City was previously analyzed in EA-01-064 and approved by Reclamation. The two assignments were combined with the City's main contract into one interim renewal contract in 2014 for a contract total of 20,000 AFY. The Proposed Action would be the third interim renewal contract for the combined contracts.

CVP-Related Actions In 2012, Reclamation approved a long-term (through contract year 2035) groundwater banking program for up to 10,500 AFY of the City's available CVP water supplies within Semitropic Water Storage District (Agreement No. 7858A-WB-2011-1). This program was analyzed in EA-09-164 (Reclamation 2009). As of August 2017, the City currently has 6,100 AF of water stored in Semitropic Water Storage District.

As a Delta Division contractor, the City receives its CVP supply from a turnout on the Delta-Mendota Canal. Because the CVP water is used for M&I purposes, it must be treated before delivery. The treatment process for the CVP supply consists of chemical oxidation, coagulation, flocculation, filtration, and chlorination. In addition, chloramines (the combination of chlorine and a small amount of ammonia) are used as the residual disinfectant in the water distribution system. The CVP water is transferred by pipeline to the water treatment plant and, after treatment, transferred by pipeline to M&I users.

³ Safe yield, or current perennial yield, is the maximum quantity of water that can be annually withdrawn from a groundwater basin over a long period of time (during which water supply conditions approximate average conditions) without developing an overdraft condition.

3.6.2 Environmental Consequences

No Action

Under the No Action alternative, Reclamation would not renew the City's interim renewal. Without this source of water, the City would likely offset the loss of up to 20,000 AF per year by pumping additional groundwater or purchasing additional surface water on the open market. Additional groundwater pumping to make up for the lost CVP water would draw down the water level in the aquifer, but the likelihood of subsidence trends being changed over the next two years is small. Additionally, this potential decrease in groundwater levels may be offset by a subsequent reduction of groundwater pumping where other south-of-Delta CVP contractors are provided water for M&I use. However, this would be dependent on how much of the City's otherwise available water supply is re-allocated to other contractors for this use.

It is also possible that beneficial effects to overall water supply availability and water quality in the Delta could occur if water that would have been made available to the City is instead re-allocated to south-of-Delta CVP contractors and wildlife refuges or remains un-diverted in the Delta; however, these effects would also be dependent on how much of their otherwise available water supply is re-apportioned for these purposes.

Proposed Action

Execution of an interim renewal contract for the City would not change contract water quantities from the quantities in the existing interim renewal contract and would not lead to any increased water use beyond what was previously analyzed. In addition, as a requirement of the interim renewal contract, CVP water under the Proposed Action would be limited to areas within the City that were previously eligible to receive CVP water for M&I purposes under its current contract. The execution of an interim renewal contract delivering the same quantities of water that have historically been put to beneficial use would not result in any growth-inducing impacts. In addition, no substantial changes in growth due to the execution of these interim renewal contracts are expected to occur during the short timeframe of this renewal. Therefore, there would be no adverse effects to water resources as a result of the Proposed Action.

Cumulative Impacts

The CVPIA PEIS included full contract deliveries in the assumptions regarding future use. By including full deliveries, the impact assessments were able to adequately address the hydrologic, operational, and system-wide cumulative conditions expected under future conditions. The Proposed Action would maintain the status quo of delivering the same contractual amount of CVP water for existing purposes within each District without the need for additional facility modification or construction.

Section 4 Consultation and Coordination

4.1 Public Review Period

Reclamation provided the public with an opportunity to comment on the Draft FONSI and Draft EA between December 13, 2017 and January 9, 2018. No comments were received.

4.2 List of Agencies and Persons Consulted

Reclamation coordinated with the City of Tracy regarding the Proposed Action.

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Section 5 References

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