

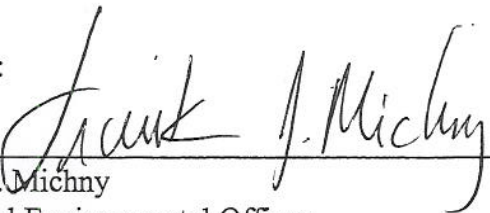
Department of the Interior
Bureau of Reclamation
Mid-Pacific Region
Sacramento, California

RECORD OF DECISION

CENTRAL VALLEY PROJECT
AMERICAN RIVER DIVISION
LONG-TERM SERVICE CONTRACT RENEWALS
SAN JUAN WATER DISTRICT, CITY OF ROSEVILLE, PLACER COUNTY
WATER AGENCY, EL DORADO IRRIGATION DISTRICT, AND EAST BAY
MUNICIPAL UTILITY DISTRICT

February 2006

Concur:




Frank J. Michny
Regional Environmental Officer

Date:

2/27/06

Approved:



FOR
Kirk C. Rodgers
Regional Director

Date:

Feb 28, 2006

RECORD OF DECISION

AMERICAN RIVER DIVISION LONG-TERM SERVICE CONTRACT RENEWALS SAN JUAN WATER DISTRICT, CITY OF ROSEVILLE, PLACER COUNTY WATER AGENCY, EL DORADO IRRIGATION DISTRICT, AND EAST BAY MUNICIPAL UTILITY DISTRICT

I. INTRODUCTION

This Record of Decision (ROD) by the Department of the Interior, Bureau of Reclamation, Mid-Pacific Region, documents the decision for renewal of long-term water service contracts to deliver water from the Central Valley Project (CVP) to American River Division contractors. The American River Division contractors addressed in this ROD include: San Juan Water District (SJWD), City of Roseville (Roseville), Placer County Water Agency (PCWA), El Dorado Irrigation District (EID), and East Bay Municipal Utility District (EBMUD). This action is the subject of the Final Environmental Impact Statement (FEIS) entitled *Central Valley Project Long-term Service Contract Renewals, American River Division, Environmental Impact Statement*, dated June 2005. Sacramento County Water Agency (SCWA) and Sacramento Municipal Utility District (SMUD) are also American River Division contractors. A separate Record of Decision for SCWA and SMUD that includes the renewal of long-term water service contracts and the assignment of a portion of SMUD's current contract supply to SCWA will be issued upon completion of the Endangered Species Act consultation process specific to those contracts.

II. DECISION

The long-term water service contracts within the American River Division of the CVP will be renewed for 40 years according to the contract provisions contained in the negotiated final contracts. The provisions in the negotiated American River Division renewal contracts are a combination of provisions from Alternatives 1 and 2 of the FEIS. Attachment A contains a duplication of Table 2-4 from the FEIS, highlighting the contract provisions that are included in the negotiated final contracts. The FEIS anticipated that the Preferred Alternative would include final contract language that would be a negotiated position between Alternatives 1 and 2. Therefore, the impacts will be equal to or less than those identified for Alternatives 1 through 2 or the No Action Alternative. The negotiated final contracts are the Preferred Alternative. The Preferred Alternative is also the Environmentally Preferred Alternative.

The negotiated final contracts with the American River Division CVP contractors will be renewed to ensure the contractors the use of the regulated and unregulated flow of the American River; provide for the efficient and economical operation of the CVP, and provide for reimbursement to the United States for expenditures made for the construction, operation, and maintenance of the CVP. This action will ensure the continued beneficial use of water developed and managed by Reclamation, with reasonable balance among competing demands, and incorporate administrative conditions into the renewed contracts to ensure continued compliance with current federal Reclamation law and other applicable statutes.

All contracts will reflect that use will be solely for Municipal and Industrial (M & I) purposes. Water shortage provisions will be in accordance with the M & I water shortage policy for the CVP. The total volume of water under contract to American River Division contractors will be unchanged. However, for contractors that currently have multiple contracts for CVP water—SJWD and EID—a single long-term contract for the combined total quantity of existing contracts will be issued.

The CVP Service Area maps attached to the long-term contracts for EID and the Roseville will be modified from those that were made available during the EIS preparation and review period. The changes will reflect annexations and inclusions made by the districts since the issuance of the FEIS. These annexations were fully reviewed through California Environmental Quality Act documents associated with local land use planning activities including Local Agency Formation Commission, and district Board approvals. Upon completion of the state process, and at the district's request to include the annexed lands within the CVP Service Area, Reclamation conducted an independent environmental review, Endangered Species Act consultation, and an evaluation that the contractor is in compliance with certain contract provisions prior to modifying their CVP Service Area map. A complete record of these independent administrative actions is maintained in Reclamation's Mid-Pacific Region Office.

III. BACKGROUND

Reclamation is responsible for operational control of the CVP including securing payment for the cost of water facilities and operations and maintenance established in the water service contract with the federal government. In addition, as a duly authorized representative, Reclamation administers all actions pertaining to the establishment of water service contracts on behalf of the Secretary of the Interior.

The purpose of this action is to renew the American River Division long-term water service contracts consistent with Reclamation authority and all applicable state and federal laws, including the Central Valley Project Improvement Act (CVPIA) (H.R. 429, Title XXXIV of Public Law 102-575). The CVPIA amended the previous authorizations of the CVP to include fish and wildlife protection, restoration, and mitigation as project purposes having equal priority with irrigation and domestic uses and by including fish and wildlife enhancement as a project purpose equal to power generation. Section 3409 of the CVPIA required the Secretary to prepare a Programmatic Environmental Impact Statement (PEIS) pursuant to NEPA to evaluate the direct and indirect impacts and benefits of implementing the CVPIA. That PEIS was prepared by

Reclamation and U.S. Fish and Wildlife Service (USFWS). Reclamation released a Draft PEIS on November 7, 1997. An extended comment period closed on April 17, 1998. Reclamation and the USFWS released the final CVPIA PEIS in October 1999, and the joint Record of Decision in January 2001.

Section 3404(c) of the CVPIA directs the Secretary of the Interior (Secretary) to renew existing CVP water service and repayment contracts following completion of the 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 from the [CVP] 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 of this title [i.e., the PEIS]..."

Section 3404(c) of the CVPIA states that 25 years will be the term for long-term irrigation repayment and water service contracts within the CVP. However, Section (9)(c) of the Reclamation Project Act of 1939 and the Act of June 21, 1963, authorized renewal of M&I water contract for terms up to 40 years. These 1939 and 1963 authorizations remain in place as guidance for establishing the terms of M&I contracts.

The long-term contract renewal process included a Needs Assessment to confirm past beneficial use and to estimate future demand for all the water service contractors. The assessment compared supplies and demands under existing and future conditions. A demonstration that all CVP contract supply could be put to beneficial use in the future was required to demonstrate a need for renewal of the full contract amount.

IV. ALTERNATIVES CONSIDERED

Three alternatives were identified for the renewal of long-term contracts between Reclamation and contractors in the American River Division. In November 1999, Reclamation published a proposed long-term water service contract. In April 2000, the CVP contractors presented an alternative long-term water service contract. Reclamation and the CVP contractors continued to negotiate the CVP-wide terms and conditions with these proposals serving as "bookends." The EIS considered these proposals with the No Action Alternative as bookends to be considered for the environmental documentation to evaluate the impacts and benefits of the renewing long-term water service contracts.

The alternatives present a range of water service agreement provisions that could be implemented for long-term contract renewals. The No Action Alternative consists of renewing existing water service contracts. Alternative 1 is based upon the April 2000 Proposal presented by the CVP water service contractors to Reclamation. Alternative 2 is based upon the November 1999 Proposal presented by Reclamation to the CVP water service contractors. The primary differences in the alternatives relate to methods addressing tiered water pricing, the definition of M&I users, water measurement, and water conservation.

No Action Alternative

The No Action Alternative assumes renewal of long-term CVP water service contracts in accordance with implementation of the CVPIA. The No Action Alternative is based upon the PEIS Preferred Alternative and results of environmental documents completed by Reclamation after the PEIS Record of Decision. The PEIS Preferred Alternative included conditions described in the PEIS No Action Alternative as modified by implementation of the CVPIA. The PEIS No Action Alternative included assumptions for water service contract deliveries in Year 2025, based upon existing general plans and existing water supply facilities. To avoid being too speculative, the PEIS No Action Alternative acknowledged existing water service contracts but limited the amount of water delivered to areas based upon historical deliveries, completed local planning and environmental documentation, and existing conveyance facilities. Therefore, the PEIS No Action Alternative did not include deliveries of CVP water under PL 101-514 to SCWA and SJWD, deliveries of CVP water to PCWA, deliveries of CVP water to EBMUD, or full deliveries to SMUD. The PEIS acknowledged that efforts were on-going to prepare the appropriate documentation, and that the actual contract deliveries and totals would be evaluated in the environmental documentation for long-term contract renewals.

Since that time, Reclamation has completed environmental documentation and participated in implementation plans to provide delivery of full contract totals to these agencies, including preparation of "EIS/EIR for Central Valley Project Water supply Contracts under Public Law 101-514 (Section 206)" (for SCWA), "EIS/EIR for East Bay Municipal Utility District Supplemental Water Supply Project Amendatory Central Valley Project", "EIS/EIR for Freeport Regional Water Project" (EBMUD and SCWA), and "EIS/EIR for American River Pump Station Project for PCWA."

The assumptions for CVP contract amounts and maximum deliveries were modified in the subject EIS to reflect studies referenced above that were completed following the development of the PEIS alternatives. These assumptions, along with conditions defined by the current water service contract documents for American River Division CVP water service contractors, served to define the contract quantities analyzed.

The American River Division also includes the El Dorado County Water Agency (EDCWA) pursuant to Public Law 101-514. Currently EDCWA is preparing environmental documentation to evaluate potential impacts and benefits that may occur if a water service contract is implemented. Due to the incomplete nature of the environmental documentation, delivery of CVP water to EDCWA under this contract was not included in the contract renewal alternatives considered in the EIS or this ROD.

Tiered Water Pricing. The No Action Alternative includes tiered water pricing based on use of an "80/10/10 Tiered Water Pricing from Contract Rate to Full Cost" including Ability-to-Pay limitations. Under this approach, the first 80 percent of the maximum contract total would be priced at the applicable Contract Rate. The next 10 percent of the contract total would be priced at a rate equal to the average of the Contract Rate and Full Cost Rate. The final 10 percent of the

contract total would be priced at Full Cost Rate.

Definition of Municipal and Industrial Users. The definition of M&I users was established in portions of a 1982 Reclamation policy memorandum. In addition to more traditional urban and industrial uses, the 1982 memorandum identified "agricultural water" as water served to tracts that can support \$5,000 gross income for a commercial farm operation. The memorandum indicates that parcels greater than two acres can meet this criteria. However, Reclamation has generally applied a definition of five acres or less for M&I uses in the CVP for many years. This definition is used in the No Action Alternative. The CVP contractors can seek a modification from the Contracting Officer for a demonstrated need of agricultural use on parcels between two and five acres in size.

Water Measurement. The No Action Alternative includes water measurement at every turnout or connection to measure CVP water deliveries. It is assumed that if other sources are commingled with the CVP water, including groundwater or other surface waters, the measurement devices would report gross water deliveries. Additional calculations would be required to determine the exact quantity of CVP water. However, if groundwater or other surface waters are delivered by other means to the users, the No Action Alternative did not include additional measurement devices except as required by individual users' water conservation plans.

Water Conservation. The water conservation assumptions in the No Action Alternative include actions for municipal and on-farm uses assumed in DWR Bulletin 160-93 and conservation plans completed under the 1982 Reclamation Reform Act consistent with the criteria and requirements of the CVPIA. Such criteria address cost-effective Best Management Practices that are economical and appropriate including measurement devices, pricing structures, demand management, public information, and financial incentives.

Alternative 1

Alternative 1 is based upon the proposal presented by CVP water service contractors to Reclamation in April 2000. The April 2000 proposal was similar to the No Action Alternative except for assumptions regarding tiered water pricing, definition of municipal users, water measurement, and water conservation. Alternative 1 includes the same water delivery and CVP system-wide operations assumptions as the No Action Alternative.

Tiered Water Pricing. Tiered water pricing in Alternative 1 is the same as under the No Action Alternative.

Definition of Municipal and Industrial Users. The definition of M&I users in Alternative 1 is similar to the provisions under the No Action Alternative. However, Alternative 1 assumes that users with greater than two acres could be considered as Irrigation water service contractors.

Water Measurement. The definition of Water Measurement in Alternative 1 is similar to the provisions under the No Action Alternative. However, the measurement would occur at delivery locations to the agency, not each turnout or connection.

Water Conservation. The definition of Water Conservation in Alternative 1 is similar to the provisions under the No Action Alternative. However, Alternative 1 assumes that actions completed in accordance with water conservation programs for the State of California, would be accepted by Reclamation to meet water conservation requirements.

Alternative 2

Alternative 2 is based upon the proposal presented by Reclamation to CVP water service contractors in November 1999. Alternative 2 includes the same water delivery and CVP system-wide operations assumptions as the No Action Alternative, as shown in Table 2-4.

Tiered Water Pricing. Tiered water pricing in Alternative 2 is based upon a definition of Category 1 and Category 2 water supplies. Category 1 is the quantity of CVP water that is reasonably likely to be available for delivery to a contractor and is calculated on an annual basis as the average quantity of delivered water during the most recent five-year period. For the purpose of this Alternative, the Category 1 water supply is defined as the contract total. Category 2 is that additional quantity of CVP water in excess of Category 1 water that may be delivered to a contractor in some years. Under Alternative 2, the first 80 percent of Category 1 volume would be priced at the applicable Contract Rate for the CVP. The next 10 percent of the Category 1 volume would be priced at a rate equal to the average between the Contract Rate and Full Cost Rate as defined by Reclamation law and policy. The final 10 percent of the Category 1 volume would be priced at the Full Cost Rate as defined by the CVPIA. All Category 2 water, when available, would be priced at Full Cost Rate. Alternative 2 assumes the sum of Category 1 and Category 2 water is equal to the maximum quantity included in the contractor's existing water service contract.

Definition of Municipal and Industrial Users. The definition of M&I users in Alternative 2 is the same as under the No Action Alternative.

Water Measurement. The definition of Water Measurement in Alternative 2 is the same as under the No Action Alternative.

Water Conservation. The definition of Water Conservation in Alternative 2 is the same as under the No Action Alternative.

V. BASIS OF DECISION

The alternatives considered in the EIS were analyzed to determine the potential for adverse and beneficial impacts associated with their implementation as compared to continuation of the No Action Alternative conditions. A full suite of physical, biological, and human environmental factors were analyzed and considered by Reclamation in making this decision. The factors considered include:

- Surface Water Resources and Facilities (including Water Quality)
- Groundwater (including Water Quality)

- Land Use, Demographics, and Sociological Resources
- CVP Water Supply Costs, Agricultural Economics, and Regional Economics
- Fishery and Wildlife Resources
- Recreation
- Cultural Resources
- Indian Trust Assets
- Air Quality
- Soils
- Visual Resources
- Environmental Justice
- Secondary Growth Impacts

None of the alternatives include construction of new facilities or changes in water service areas, although it was recognized that these types of actions are likely to occur in the future. Each of these future actions would be subject to independent analysis and environmental review.

The potential environmental impacts associated with each of the alternatives do not occur or are very small, resulting in little differences from the No Action Alternative or between alternatives. The differences in environmental impacts that are identified are due to assumptions regarding tiered water pricing and water users' responses to the pricing method. The approach to tiered pricing in Alternative 1 is identical to that contained in the No Action Alternative. Alternative 2 assumed a slightly different approach that found that rates paid by contractors would be slightly higher in some years compared to the No Action Alternative. Alternative 2 resulted in a potential for reductions in CVP water use, increased reliance on groundwater supplies, and a possible loss of existing or future jobs that would likely impact the less educated low income workers who would not be able to easily find replacement jobs. The Preferred Alternative includes the approach to tiered pricing contained in both Alternative 1 and the No Action Alternative, thereby avoiding potential impacts. For all other areas of potential impacts, the Preferred Alternative is the same as the No Action Alternative. Therefore, the Preferred Alternative is also the Environmentally Preferred Alternative.

Modifications to the CVP Service Area maps for EID and Roseville are routine administrative actions that regularly occur outside of the contract renewal process. These changes are typically referred to as "annexations" in the context of local landuse planning processes to approve changes in the service boundaries of various types of districts. Local planning agencies are responsible for determining land use. The local planning agencies, along with the LAFCO and the applicable water districts, conduct the various planning, environmental, and decision documents necessary to any development. Upon completion of all the necessary environmental documentation and approvals, water districts submit an inclusion request for a change in their CVP Service Area water in compliance with their water service contracts. Reclamation then conducts its own independent evaluation and process that is separate from the land use decision making process that approves the annexation. Reclamation's process includes as may be needed: 1) review of environmental documents, 2) preparation of appropriate environmental compliance document, 3) consultation on endangered species, 4) evaluation that the action would not result in an increase in allocation of Project water to the contractor, 5) confirmation that the area to be included is within the CVP place of use and 6) confirmation that the district has a valid water

conservation plan in place. Upon completion, Reclamation modifies the contractor's CVP Service Area map attached to its water service contract. A complete record of these independent administrative actions is maintained in Reclamation's Mid-Pacific Region Office.

VI. IMPLEMENTING THE DECISION AND ENVIRONMENTAL COMMITMENTS

Reclamation and the American River Division Contractors have negotiated contract provisions that implement practicable means to avoid or minimize environmental harm, enhance water conservation, and ensure continuity of operations. Implementation of water conservation measures and measures to protect listed species will be the responsibility of the respective contractor. Reclamation conducted several consultations pursuant to Section 7 of the federal Endangered Species Act with the USFWS and the National Oceanic and Atmospheric Administration, National Marine Fisheries Service (NMFS) that address or are related to long-term contract renewals. Each agency issued a biological opinion addressing the effects of system-wide water operations, including delivery of full contract quantities to American River Division contractors, through the CVP and State Water Project (SWP) Operating Criteria and Plan (OCAP) process. Each agency also completed consultations to address the specific effects of long-term water service contract renewals. These consultations tier from the November 2000 Programmatic Biological Opinions on Implementation of the CVPIA and Continued Operation and Maintenance of the CVP (CVPIA PBO).

Central Valley Project Improvement Act Programmatic Biological Opinions

Long-term water service contract renewal consultations tier from the USFWS November 2000 CVPIA PBO. Tiering automatically carries forward all conservation measures and other components of the project description contained in the CVPIA PBO. The project description included commitments associated with long-term renewal of CVP water contracts that have been implemented as part of the process addressed in this ROD, or are reiterated in the contractor specific consultations on long-term renewals. Reclamation has been working with the USFWS to address each CVPIA PBO commitment associated with long-term contract renewals to implement or review them so that they are clearly understood and meet the original intent of avoiding and/or addressing impacts to listed species.

OCAP Biological Opinions

USFWS issued its OCAP Biological Opinion (1-1-04-F-0140) on July 30, 2004, covering the coordinated operations of the CVP and SWP. The formal consultation effects cover the proposed 2020 operations of the CVP including the Trinity River Mainstream ROD flows on the Trinity River, the increased water demands on the American River, the delivery of CVP water to the proposed Freeport Regional Water Project (FRWP), water transfers, the long term Environmental Water Account, the operation of the Tracy Fish Facility, and the operation of the SWP-CVP intertie. Early consultation effects include the effects from operations of components of the South Delta Improvement Program. Specifically, the biological opinion addresses the aquatic effects of OCAP on delta smelt and its critical habitat. The USFWS determined that the level of effects is not likely to result in jeopardy to the smelt.

NMFS issued its biological opinion for OCAP on October 22, 2004, covering the effects of the proposed long-term operation, criteria, and plan for the CVP in coordination with operations of the SWP, including the delivery of CVP water to the FRWP, on federally listed endangered Sacramento River winter-run Chinook salmon, threatened Central Valley spring-run Chinook salmon, threatened Central Valley steelhead, threatened Southern Oregon/Northern California Coast coho salmon, and threatened Central California Coast steelhead and their designated habitat. The biological opinion concludes that OCAP is not likely to jeopardize the continued existence of the above species or adversely modify their critical habitat.

American River Division Long-Term Contract Renewal Consultations

Reclamation completed a biological assessment addressing American River Division long-term contract renewals and initiated consultation with both agencies on September 30, 2004. NMFS issued an initial letter response on January 27, 2005, finding that the effects of Reclamation's issuance of long-term contracts to the American River Division water contractors on federally listed endangered Sacramento River winter-run Chinook salmon, and threatened Central Valley steelhead, and the designated critical habitat of Sacramento River winter-run Chinook salmon were previously considered as part of the OCAP biological opinion. In their letter, NMFS reproduced a table of long-term contract quantities contained in Reclamation's biological assessment that did not reflect the proposed assignment of 30,000 acre-feet from SMUD to SCWA. Reclamation reinitiated consultation on June 9, 2005, to correct the table to reflect the proposed assignment. NMFS reissued a letter with a corrected table and identical findings on June 17, 2005.

The USFWS issued individual biological opinions or letters of concurrence for each of the American River Division contractors. The USFWS concurred with Reclamation's determination that renewal of the CVP long-term water service contracts for SJWD, Roseville, and PCWA are not likely to adversely affect federally listed species in their respective CVP water service areas.

The USFWS issued biological opinions specific to long-term contract renewals for EBMUD on January 31, 2006, and for EID on January 12, 2006. In its biological opinion for long-term contract renewals for EBMUD, the USFWS adopted as the final biological opinions, the early consultation on long-term renewal of the CVP water service contract contained in the December 10, 2004 biological opinion for the FRWP. The EBMUD long-term contract renewal biological opinion also amended the FRWP biological opinion with additional analysis of critical habitats proposed since the FRWP biological opinion was prepared.

In the biological opinion for the long-term renewal of EID's water service contract, conservation recommendations directed Reclamation and EID to continue to fund and provide other support for land acquisition and management of the Pine Hill Preserve, and to assist the USFWS in working with El Dorado County to ensure the mitigation policy for gabbro plants is implemented.

VII. COMMENTS RECEIVED ON THE FINAL EIR/EIS

One comment letter was received from the U.S. Environmental Protection Agency (EPA) after the FEIS was filed in June 2005. The EPA expressed concerns regarding the disclosure of potential adverse environmental impacts from increased water diversions, effects on beneficial uses of water as a result of continuously providing full contract water quantities all of the time, the potential for other actions within the CVP affecting water supply availability to American River Division contractors, and the potential cumulative impacts of contract renewals beyond 2025 to 2044.

Reclamation recognizes the EPA's concerns that adverse environmental impacts stem from the significant increases in American River diversions forecasted for the future. Reclamation has incorporated the assumptions regarding increased diversion of both CVP and contractor water rights in its hydrologic modeling used in the analysis of impacts in the FEIS as well as the supporting documents incorporated by reference into the FEIS (i.e. CVPIA PEIS, OCAP, OCAP Biological Assessment, and OCAP Biological Opinions). As such, Reclamation believes that the impacts of renewing existing contracts are fully disclosed in the FEIS.

Measures necessary to protect beneficial uses of water serve to control the real-time operations of the CVP and are key components of the approach used to allocate and deliver CVP supplies to contractors. These measures outlined in the OCAP include all water quality, environmental, listed species, and other regulatory or legal requirements that may serve to limit the quantity of water allocated to CVP contractors in any given year. Reclamation assumes or meets these conditions through the integrated operation of the CVP prior to allocating or making delivery of CVP water. As a result, full contract quantities will not be available in all years. Specific provisions within the renewal contracts recognize these limitations. Operational flexibility afforded by the integrated operation of the CVP as a whole is used firstly to meet all the regulatory and environmental needs, and secondarily deliveries to contractors. Similarly, to the extent that other actions within the CVP affect water supply availability to American River Division contractors, operational flexibility is used to balance competing demands between CVP contractors after all regulatory requirements are met. These measures are included in the supporting documentation and analysis contained in the FEIS.

The needs assessments conducted as part of the contract renewal process show that most American River Division CVP contractors are expected to have fully developed their CVP contract supplies by the year 2025. The exceptions are PCWA and SMUD. Both of these contractors demonstrate a need by the end of the 40-year contract period. PCWA will need additional infrastructure to take and deliver their water supplies and are currently considering the future use of CVP supply as part of the Sacramento River Water Reliability Study. This study is considering alternatives that include the potential use of a diversion facility on the Sacramento River that would deliver water in exchange for PCWA supplies that would otherwise be diverted at Folsom Reservoir. This action will require additional scoping and will be subject to additional future environmental documentation and review. SMUD will also likely require additional infrastructure to fully utilize its CVP contract supply. Any future action requiring delivery of CVP water beyond the boundaries of SMUD's existing CVP contract service area would require additional scoping and would be subject to additional environmental

documentation and review. SMUD's current and future assumed use is limited to the old Rancho Seco Power Plant site. Although the site-specific effects and changes to the cumulative conditions resulting from these potential future actions would be subject to refinement and additional environmental review, Reclamation has included the full deliveries in the assumptions regarding future water use. By including full deliveries, the FEIS was able to adequately address the hydrologic, operational, and system-wide cumulative conditions expected under the future conditions.

ATTACHMENT A REPRODUCTION OF TABLE 2-4 FROM THE FEIS HIGHLIGHTING CONTRACT PROVISIONS CONTAINED IN THE PREFERRED ALTERNATIVE

TABLE 2-4

COMPARISON OF CONTRACT PROVISIONS CONSIDERED IN ALTERNATIVES

| Provision | No-Action Alternative | Alternative 1 | Alternative 2 |
|---------------------------|--|--|---|
| Explanatory Recitals | Assumes water rights held by CVP from the State Water Resources Control Board for use by water service contractors under CVP policies | Assumes CVP Water Right as being held in trust for project beneficiaries that may become the owners of the perpetual right | Same as No-Action Alternative |
| | Assumes that CVP is a significant part of the urban and agricultural water supply of users | Assumes that CVP is a significant, essential, and irreplaceable part of the urban and agricultural water supply of users | Same as No-Action Alternative with recognition that water supply is essential to contractors. |
| | Assumes increased use of water rights, need to meet water quality standards and fish protection measures, and other measures constrained use of CVP | Assumes that CVPIA impaired ability of CVP to deliver water | Same as No-Action Alternative with language added regarding balance between competing needs |
| | Assumes the identification of measures to replace/increase CVP yield pursuant to CVPIA §3408(j) | Assumes implementation of yield increase projects per §3408(j) study | Same as No-Action Alternative |
| | Assumes that loss of water supply reliability would have impact on socioeconomic conditions and change land use | Assumes that loss of water supply reliability would have significant adverse socioeconomic and environmental impacts in CVP service area | Same as No-Action Alternative with recognition that economies depend on continued delivery of water |
| Definitions Charges | Charges defined as payments required in addition to Rates | Assumes rewording of definition of Charges to exclude both Rates and Tiered Pricing Increments | Same as No-Action Alternative |
| Category 1 and Category 2 | Tiered Pricing as in PEIS | Not included | Tiered Pricing for Categories 1 and 2 |
| Contract Total | Contract Total described as Total Contract | Same as No-Action Alternative | Described as basis for Category 1 to calculate Tiered Pricing |
| Landholder | Landholder described in existing Reclamation Law | Assumes rewording to specifically define Landholder with respect to ownership, leases, and operations | Assumes rewording to specifically define Landholder with respect to ownership and leases |
| M&I water | Assumes rewording to provide water for irrigation of land in units less than or equal to five acres as M&I water unless Contracting Officer is satisfied use is irrigation | M&I water described for irrigation of land in units less than or equal to two acres | Same as No-Action Alternative |

TABLE 2-4

COMPARISON OF CONTRACT PROVISIONS CONSIDERED IN ALTERNATIVES

| Provision | No-Action Alternative | Alternative 1 | Alternative 2 |
|---|--|--|--|
| Terms of contract—right to use contract | Assumes that contracts may be renewed Assumes convertibility of contract to a 9(d) contract same as existing contracts | States that contract shall be renewed Includes conditions that are related to negotiations of the terms and costs associated with conversion to a 9(d) contract | Same as No-Action Alternative Assumes convertibility of contract to a 9(d) contract same as existing contracts |
| Water to be made available and delivered to the contractor | Assumes water availability in accordance with existing conditions | Similar to No-Action Alternative | Actual water availability in a year is unaffected by Categories 1 and 2 |
| | Assumes compliance with Biological Opinions and other environmental documents for contracting | Same as No-Action Alternative | Same as No-Action Alternative |
| | Assumes that current operating policies strive to minimize impacts to CVP water users | Assumes that CVP operations will be conducted in a manner to minimize shortages and studies to increase yield shall be completed with necessary authorizations | Same as No-Action Alternative |
| Time for delivery of water | Assumes methods for determining timing of deliveries as in existing contracts | Assumes minor changes related to timing of submittal of schedule | Same as No-Action Alternative |
| Point of diversion and responsibility for distribution of water | Assumes methods for determining point of diversion as in existing contracts | Assumes minor changes related to reporting | Same as No-Action Alternative |
| Measurement of water within district | Assumes measurement for each turnout or connection for facilities that are used to deliver CVP water as well as other water supplies | Assumes measurement at delivery points | Assumes similar actions in No-Action Alternative but applies to all water surface water delivered within the contractors service area for M&I purposes |
| Rates and method of payment for water | Assumes Tiered Pricing is total water quantity; assumes advanced payment for rates for two months | Assumes Tiered Pricing is total water quantity; assumes advanced payment for rates for two months | Assumes Tiered Pricing is total water quantity; assumes advanced payment for rates for six months |
| Non-interest-bearing operation and maintenance deficits | Assumes language from existing contracts | Same as No-Action Alternative | Same as No-Action Alternative |
| Sales, transfers, or exchanges of water | Assumes continuation of transfers with the rate for transferred water being the higher of the seller's or purchaser's CVP cost-of-service rate | Assumes continuation of transfers with the rate for transferred water being the purchaser's contractor's CVP cost-of-service rate plus incremental fees | Same as No-Action Alternative |
| Application of payments and adjustments | Assumes payments will be applied as in existing contracts | Assumes minor changes associated with methods described for overpayment | Same as No-Action Alternative |

TABLE 2-4

COMPARISON OF CONTRACT PROVISIONS CONSIDERED IN ALTERNATIVES

| Provision | No-Action Alternative | Alternative 1 | Alternative 2 |
|--|--|---|-------------------------------|
| Temporary reduction—return flows | Assumes that current operating policies strive to minimize impacts to CVP water users | Same as No-Action Alternative | Same as No-Action Alternative |
| Constraints on availability of project water | Assumes that current operating policies strive to minimize impacts to CVP water users | Assumes Contractors do not consent to future Congressional enactments which may impact water supply reliability | Same as No-Action Alternative |
| Unavoidable groundwater percolation | Assumes that some of applied CVP water will percolate to groundwater | Same as No-Action Alternative | Same as No-Action Alternative |
| Rules and regulations | Assumes that CVP will operate in accordance with then-existing rules | Assumes minor changes with right to not concur with future enactments retained by Contractors | Same as No-Action Alternative |
| Water and air pollution control | Assumes that CVP will operate in accordance with then-existing rules | Same as No-Action Alternative | Same as No-Action Alternative |
| Quality of water | Assumes that CVP will operate in accordance with existing rules without obligation to operate toward water quality goals | Same as No-Action Alternative | Same as No-Action Alternative |
| Water acquired by the contractor other than from the United States | Assumes that CVP will operate in accordance with existing rules | Assumes changes associated with payment following repayment of funds | Same as No-Action Alternative |
| Opinions and determinations | PEIS recognizes that CVP will operate in accordance with existing rules | Assumes minor changes with respect to references to the right to seek relief | Same as No-Action Alternative |
| Coordination and cooperation | Not included | Assumes that coordination and cooperation between CVP operations and users should be implemented and CVP users should participate in CVP operational decisions as a partnership | Not included |
| Charges for delinquent payments | Assumes that CVP will operate in accordance with existing rules | Same as No-Action Alternative | Same as No-Action Alternative |
| Equal opportunity | Assumes that CVP will operate in accordance with existing rules | Same as No-Action Alternative | Same as No-Action Alternative |
| General obligation | Assumes that CVP will operate in accordance with existing rules | Similar to No-Action Alternative | Same as No-Action Alternative |
| Compliance with civil rights laws and regulations | Assumes that CVP will operate in accordance with existing rules | Same as No-Action Alternative | Same as No-Action Alternative |

TABLE 2-4

COMPARISON OF CONTRACT PROVISIONS CONSIDERED IN ALTERNATIVES

| Provision | No-Action Alternative | Alternative 1 | Alternative 2 |
|---|--|--|--|
| Privacy act compliance | Assumes that CVP will operate in accordance with existing rules | Same as No-Action Alternative | Same as No-Action Alternative |
| Contractor to pay certain miscellaneous costs | Assumes that CVP will operate in accordance with existing rules | Similar to No-Action Alternative | Same as No-Action Alternative |
| Water conservation | Assumes compliance with conservation programs established by Reclamation and the State of California | Assumes conditions similar to No-Action Alternative with the ability to use State of California standards, which may or may not be identical to Reclamation's requirements | Same as No-Action Alternative |
| Existing or acquired water or water rights | Assumes that CVP will operate in accordance with existing rules | Same as No-Action Alternative | Same as No-Action Alternative |
| Operation and maintenance by non-federal entity | Assumes that CVP will operate in accordance with existing rules and no additional changes to operation responsibilities under this alternative | Assumes minor changes to language that would allow subsequent modification of operational responsibilities | Assumes minor changes to language that would allow subsequent modification of operational responsibilities |
| Contingent on appropriation or allotment of funds | Assumes that CVP will operate in accordance with existing rules | Assumes minor changes to language | Same as No-Action Alternative |
| Books, records, and reports | Assumes that CVP will operate in accordance with existing rules | Assumes changes for record keeping for both CVP operations and CVP users | Same as No-Action Alternative limited to information reasonably related to administration or performance of the contract |
| Assignment limited | Assumes that CVP will operate in accordance with existing rules | Assumes changes to facilitate assignments | Same as No-Action Alternative |
| Severability | Assumes that CVP will operate in accordance with existing rules | Same as No-Action Alternative | Same as No-Action Alternative |
| Resolution of disputes | Not included | Assumes a Dispute Resolution Process | Not included |
| Officials not to benefit | Assumes that CVP will operate in accordance with existing rules | Same as No-Action Alternative | Same as No-Action Alternative |
| Changes in contractor's service area | Assumes no change in CVP water service areas absent Contracting Officer consent | Assumes changes to limit rationale used for non-consent and sets time limit for assumed consent. | Same as No-Action Alternative with language regarding timeframe for exchange of information |
| Notices | Assumes that CVP will operate in accordance with existing rules | Same as No-Action Alternative | Same as No-Action Alternative |
| Confirmation of contract | Assumes Court confirmation of contract | Same as No-Action Alternative | Same as No-Action Alternative |