

RECLAMATION

Managing Water in the West

FINDING OF NO SIGNIFICANT IMPACT

McMullin Area Groundwater Sustainability Agency Groundwater Credit and Surface Water Marketing Strategy Project

FONSI-19-017



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

July 2019

Mission Statements

The mission of the Department of the Interior is to conserve and manage the Nation's natural resources and cultural heritage for the benefit and enjoyment of the American people, provide scientific and other information about natural resources and natural hazards to address societal challenges and create opportunities for the American people, and honor the Nation's trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated island communities to help them prosper.

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.

BUREAU OF RECLAMATION
South-Central California Area Office, Fresno, California

FONSI-19-017

**McMullin Area Groundwater
Sustainability Agency Groundwater
Credit and Surface Water Marketing
Strategy Project**



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Natural Resources Specialist

06/14/19

Date



Concurred by: Rain L. Emerson
Environmental Compliance Branch Chief

7/8/2019

Date



Approved by: Michael P. Jackson, P.E.
Area Manager

7-10-2019

Date

Acting

Introduction

In accordance with the National Environmental Policy Act (NEPA) of 1969, as amended, the Bureau of Reclamation (Reclamation) has issued this Finding of No Significant Impact (FONSI) which is supported by Reclamation's attached Environmental Assessment (EA)-19-017, *McMullin Area Groundwater Sustainability Agency Groundwater Credit and Surface Water Marketing Strategy Project*, hereby incorporated by reference.

Background

The McMullin Area Groundwater Sustainability Agency (McMullin GSA) has asked for \$193,000 in funding through the WaterSMART Water Marketing Strategy Grant in order to develop a new water marketing strategy. This funding will facilitate two main activities: 1) Development of a Groundwater Credit Program, and 2) Coordination with other agencies that could potentially market water to McMullin Area GSA. The Groundwater Credit Program would provide the framework to allow landowners, who do not use all their groundwater allocation, to sell or trade that groundwater to other water users in the McMullin Area GSA. The water marketing component would provide the groundwork for coordination and studies with several water agencies to facilitate potential water transfers into McMullin Area GSA. Both components will include significant outreach with landowners, residents, and local water agencies.

Alternatives Considered

No Action

Under the No Action Alternative, Reclamation would not award McMullin Area GSA with WaterSMART Water Marketing Strategy Grant funding of \$193,000. McMullin Area GSA would continue to have significant water supply issues including groundwater overdraft (33,000 acre-feet/year), declining groundwater levels, declining water quality, no permanent surface water supply, and land subsidence. The Sustainable Groundwater Management Act requires the McMullin Area GSA to change the way that groundwater is pumped and will require the development of a surface water supply portfolio to offset overdraft. Although it is possible that McMullin Area GSA may find alternative sources of funding for the project, for the purposes of the environmental analysis, the consequences of Reclamation not providing funding for the proposed project would result in no development of a water marketing strategy that would provide the basis to establish or expand water markets or water marketing activities between willing participants, in compliance with state and Federal laws.

Proposed Action

Reclamation's Proposed Action is to award McMullin Area GSA with \$193,000 through a WaterSMART Water Marketing Strategy Grant, which would cover one half of the \$386,000 needed for the proposed strategy development. This proposed budget is for consultant services only. The consulting services include analysis of legal/water rights issues and legal framework for implementation of the strategy. Additional services include analysis of decision support tools. The project will require approximately 19 months to complete.

Comments on the EA

Reclamation provided the public with an opportunity to comment on EA-19-017 between 05/13/2019 and 06/13/2019. No comments were received.

Findings

In accordance with NEPA, Reclamation has determined that the approval of the Proposed Action is not a major federal action that will significantly affect the quality of the human environment; consequently, an environmental impact statement is not required.

The following reasons are why the impacts from the proposed action are not significant:

- The proposed action will not significantly affect public health or safety (40 CFR 1508.27(b)(2)).
- The proposed action will not significantly affect natural resources and unique geographical characteristics such as proximity to historic or cultural resources; parks, recreation, and refuge lands; wilderness areas; wild or scenic rivers; national natural landmarks; sole or principal drinking water aquifers; prime farmlands; wetlands (Executive Order (EO) 11990); flood plains (EO 11988); national monuments; migratory birds; and other ecologically significant or critical areas (40 CFR 1508.27(b)(3)).
- There is no potential for the effects to be considered highly controversial (40 CFR 1508.27(b)(4)).
- The proposed action will not have possible effects on the human environment that are highly uncertain or involve unique or unknown risks (40 CFR 1508.27(b)(5)).
- The proposed action will neither establish a precedent for future actions with significant effects nor represent a decision in principle about a future consideration (40 CFR 1508.27(b)(6)).
- The proposed action will not have cumulatively significant impacts (40 CFR 1508.27(b)(7)).
- The proposed action will not significantly affect historic properties (40 CFR 1508.27(b)(8)).

- The proposed action will not significantly affect listed or proposed threatened or endangered species, or its habitat that has been determined to be critical under the Endangered Species Act of 1973 (40 CFR 1508.27(b)(9)).
- The proposed action will not threaten a violation of Federal, State, tribal or local law or requirements imposed for the protection of the environment (40 CFR 1508.27(b)(10)).
- The proposed action will not affect any Indian Trust Assets (512 DM 2, Policy Memorandum dated December 15, 1993).
- Implementing the proposed action will not disproportionately affect minorities or low-income populations and communities (EO 12898).
- The proposed action will not limit access to, and ceremonial use of, Indian sacred sites on Federal lands by Indian religious practitioners or adversely affect the physical integrity of such sacred sites (EO 13007 and 512 DM 3).

RECLAMATION

Managing Water in the West

Final Environmental Assessment

McMullin Area Groundwater Sustainability Agency Groundwater Credit and Surface Water Marketing Strategy Project

EA-19-017



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

July 2019

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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 May 13, 2019 and June 13, 2019. No comments were received during this period. Changes between this Final EA and the Draft EA which are not editorial and minor in nature are indicated by a line in the left margin of this document.

1.1 Background

In conformance with the National Environmental Policy Act of 1969, Council on Environmental Quality regulations (40 CFR 1500-1508), and Department of Interior regulations (43 CFR Part 46), Reclamation prepared this EA to disclose potential environmental effects associated with granting a WaterSMART Water Marketing Strategy Grant to the McMullin Area Groundwater Sustainability Agency (McMullin Area GSA) for the proposed McMullin Area Groundwater Sustainability Agency Groundwater Credit and Surface Water Marketing Strategy Project.

In 2014, the State of California adopted legislation to help manage its groundwater, the Sustainable Groundwater Management Act. According to the Act, local GSAs must be formed for all high and medium priority basins in the state. These GSAs must develop and implement Groundwater Sustainability Plans for managing and using groundwater without causing undesirable results such as significant groundwater-level declines, groundwater-storage reductions, seawater intrusion, water-quality degradation, land subsidence, and surface-water depletions. The McMullin Area GSA was formed in response to this Act. The McMullin Area GSA is a Joint Powers Authority comprised of three member-agencies: Mid-Valley Water District, Raisin City Water District, and the County of Fresno and is located in a High Priority basin. These circumstances have mobilized the McMullin Area GSA to explore a water marketing strategy and a groundwater credit system.

The McMullin Area GSA is located within Reclamation's Central Valley Project (CVP) Service Area, and could potentially involve water transfers from the Friant Division of the CVP. Any future transfers of CVP water would require separate review and approval by Reclamation, including additional environmental review, if applicable.

McMullin Area GSA is in north central Fresno County. The agency is bounded to the north by the San Joaquin River. The remaining boundaries of the McMullin Area GSA are defined by political boundaries of water districts and other GSAs. McMullin Area GSA encompasses approximately 120,635 acres (188 square miles) (Figure 1). In addition to its three member-agencies, the McMullin Area GSA area also includes the Kerman Ecological Reserve and the Alkali Sink Ecological Reserve which are managed by the California Department of Fish and Wildlife. There are no tribal or federal lands in the McMullin Area GSA.

1.2 Need for the Proposed Action

Through the WaterSMART Water Marketing Strategy Grants, Reclamation provides assistance to states, tribes, and local governments to conduct planning activities to develop water marketing strategies that establish or expand water markets or water marketing activities between willing participants, in compliance with state and Federal laws.

The primary need for the Proposed Project is to develop a marketing plan and credit program that would provide a framework which would allow landowners, who do not use all their groundwater allocation, to sell or trade the groundwater to other water users in the McMullin Area GSA and to coordinate with several water agencies to facilitate potential water transfers into the McMullin Area GSA.

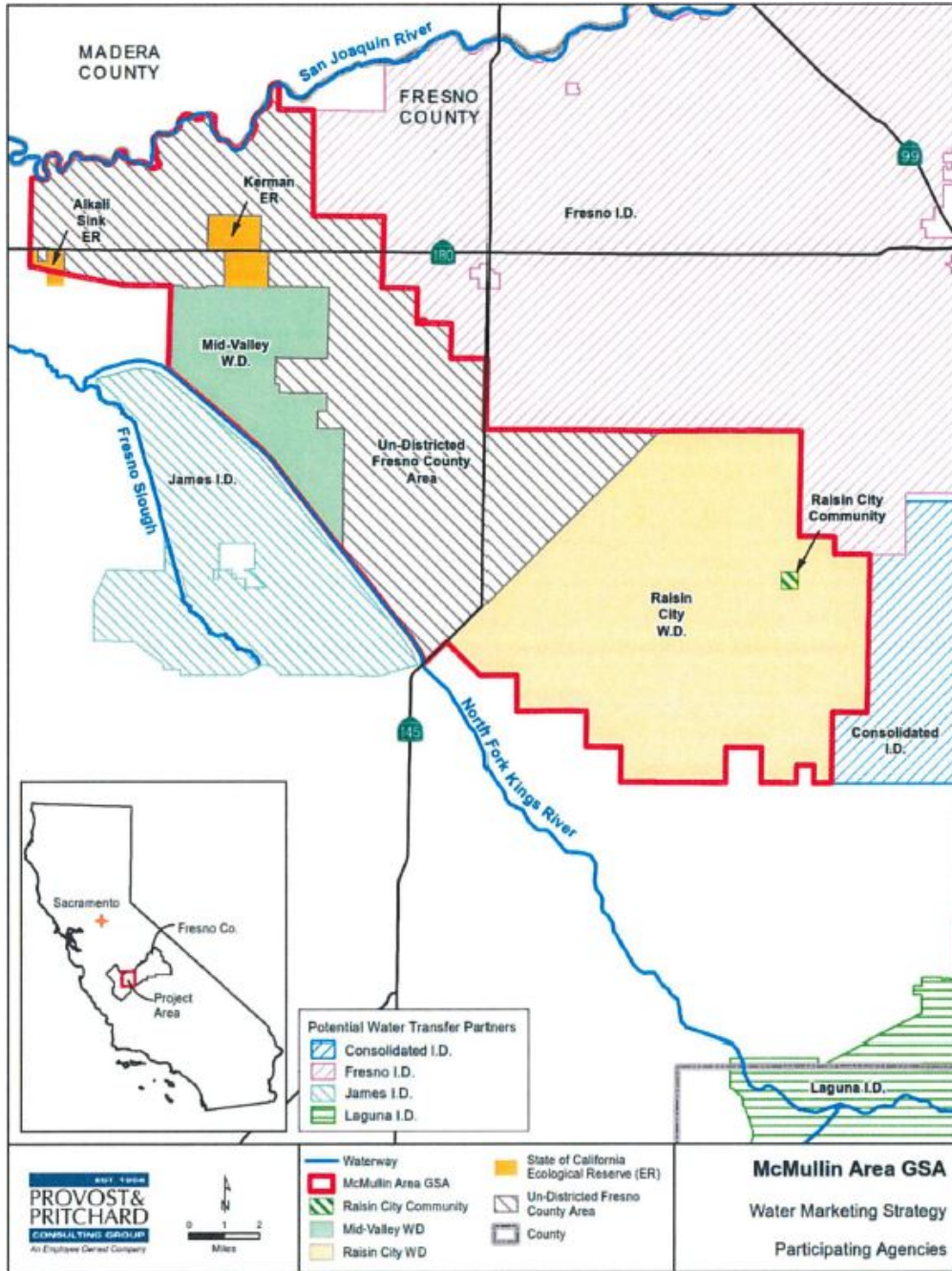


Figure 1 McMullin Groundwater Sustainability Agency Area with potential trading partners

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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.

2.1 No Action Alternative

Under the No Action Alternative, Reclamation would not award McMullin Area GSA with WaterSMART Water Marketing Strategy Grant funding of \$193,000. McMullin Area GSA would continue to have water supply issues including groundwater overdraft (33,000 acre-feet/year), declining groundwater levels, declining water quality, no permanent surface water supply, and land subsidence. The Sustainable Groundwater Management Act requires the McMullin Area GSA to change the way that groundwater is pumped and will require the development of a surface water supply portfolio to offset overdraft. Although it is possible that McMullin Area GSA may find alternative sources of funding for the project, for the purposes of this EA, the consequences of Reclamation not providing funding for the proposed project would result in no development of a water marketing strategy that would provide the groundwork to establish or expand water markets or water marketing activities between willing participants, in compliance with state and Federal laws.

2.2 Proposed Action

Reclamation's Proposed Action is to award McMullin Area GSA with \$193,000 through a WaterSMART Water Marketing Strategy Grant, which would cover one half of the \$386,000 needed for the proposed strategy development. This proposed budget is for consultant services only. The consulting services include analysis of legal/water rights issues and legal framework for implementation of the strategy. Additional services include analysis of decision support tools. The project will require approximately 19 months to complete.

The grant funding will facilitate two main activities: 1) development of a Groundwater Credit Program, and 2) coordination with other agencies that could potentially market water to McMullin Area GSA. The Groundwater Credit Program would allow landowners, who do not use all their groundwater allocation, to sell or trade that groundwater to other water users in the McMullin Area GSA. The water marketing component would provide for coordination and studies with several water agencies to facilitate potential water transfers into McMullin Area GSA. Both components will include outreach with landowners, residents, and local water agencies.

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Section 3 Affected Environment and Environmental Consequences

3.1 Required Resource Disclosures

Department of the Interior Regulations, Executive Orders, and Reclamation guidelines require a discussion of Indian sacred sites, Indian Trust Assets, and Environmental Justice when preparing environmental documentation. Impacts to these resources were considered and found to be absent. Brief explanations for their elimination from further consideration are provided below:

3.1.1 Indian Trust Assets

Indian Trust Assets are legal interests in assets that are held in trust by the United States Government for federally recognized Indian tribes or individuals. The trust relationship usually stems from a treaty, executive order, or act of Congress. The Secretary of the Interior is the trustee for the United States on behalf of federally recognized Indian tribes. “Assets” are anything owned that holds monetary value. “Legal interests” means there is a property interest for which there is a legal remedy, such a compensation or injunction, if there is improper interference. Assets can be real property, physical assets, or intangible property rights, such as a lease, or right to use something. Indian Trust Assets cannot be sold, leased or otherwise alienated without United States’ approval. Trust assets may include lands, minerals, and natural resources, as well as hunting, fishing, and water rights. Indian reservations, Rancherias, and Public Domain Allotments are common Indian Trust Assets in California. There would be no impact to Indian Trust Assets as there are none in the Action Area. The closest native American land is the Santa Rosa Rancheria which is approximately 30 miles away.

3.1.2 Indian Sacred Sites

Sacred sites are defined in Executive Order 13007 (May 24, 1996) as “any specific, discrete, narrowly delineated location on Federal land that is identified by an Indian tribe, or Indian individual determined to be an appropriately authoritative representative of an Indian religion, as sacred by virtue of its established religious significance to, or ceremonial use by, an Indian religion; provided that the tribe or appropriately authoritative representative of an Indian religion has informed the agency of the existence of such a site.”

Executive Order 13007 requires Federal land managing agencies to accommodate access to and ceremonial use of Indian sacred sites by Indian religious practitioners and to avoid adversely affecting the physical integrity of such 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.

3.1.3 Environmental Justice

Executive Order 12898 requires each Federal agency to identify and address disproportionately high and adverse human health or environmental effects, including social and economic effects

of its program, policies, and activities on minority populations and low-income populations. No significant changes in agricultural communities or practices would result from the Proposed Action.

The Proposed Action would not cause dislocation, changes in employment, or increase flood, drought, or disease nor would it disproportionately impact economically disadvantaged or minority populations.

3.2 No Action Alternative

Under the No Action Alternative, Reclamation would not award McMullin Area GSA with WaterSMART Water Marketing Strategy Grant funding of \$193,000. McMullin Area GSA would continue to have water supply issues including groundwater overdraft (33,000 acre-feet/year), declining groundwater levels, declining water quality, no permanent surface water supply, and land subsidence.

3.3 Proposed Action

3.3.1 Air Quality

There would be no direct, indirect, or cumulative impacts to air quality as a result of implementing the Proposed Action as the Proposed Action is simply to provide funding for the development of a water marketing strategy and does not involve construction or ground disturbing activities.

3.3.2 Biological Resources

There would be no direct, indirect, or cumulative impacts to biological resources as a result of implementing the Proposed Action as the proposed project is simply the development of a water marketing strategy. Based upon the fact that there will be no new construction or ground disturbance, Reclamation has determined there would be No Effect to proposed or listed species or critical habitat under the Endangered Species Act of 1973, as amended (16 U.S.C. §1531 et seq.), No Adverse Effects under the Magnuson-Stevens Act (16 U.S.C. §1801 et seq.), and No Take of birds protected under the Migratory Bird Treaty Act (16 U.S.C. §703 et seq.).

3.3.3 Cultural Resources

There would be no direct, indirect, or cumulative impacts to cultural resources as a result of implementing the Proposed Action as the Proposed Action is the development a water marketing strategy. 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 A for Reclamation's determination.

3.3.4 Global Climate Change

There would be no direct, indirect, or cumulative impacts to global climate change as a result of implementing the Proposed Action as the proposed project is the development a water marketing strategy that would not involve construction or ground disturbing activities.

3.3.5 Water Resources

There would be no direct, indirect, or cumulative impacts to water resources as a result of implementing the Proposed Action as it is only the development a water marketing strategy. No new construction or ground disturbing activities would occur as part of the Proposed Action.

The development of a marketing strategy that is intended to allow the willing transfer of water is expected to benefit a multi-jurisdictional area with 12 major stakeholders representing agricultural, municipal, domestic, industrial and environmental water users. The Proposed Project goals include an increased water supply, improved water reliability, reduction in land subsidence, incentives to conserve groundwater, improved coordination with other agencies, and creation of a sustainable water supply.

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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 May 13, 2019 and June 13, 2019. No comments were received.

4.2 List of Agencies and Persons Consulted

Reclamation is coordinating with the McMullin Area GSA with the regard to the Proposed Action.

Appendix A: Reclamation's Cultural Resource Determination

CULTURAL RESOURCES COMPLIANCE
Division of Environmental Affairs
Cultural Resources Branch (MP-153)

MP-153 Tracking Number: 19-SCAO-127

Project Name: McMullin Area Groundwater Sustainability Agency Groundwater Credit and Surface Water Marketing Strategy Project

NEPA Document: EA-19-017

NEPA Contact: Kathleen Linder, Natural Resources Specialist

MP 153 Cultural Resources Reviewer: BranDee Bruce, Architectural Historian

Date: April 17, 2019

Reclamation proposes to fund and award a WaterSMART Water Marketing Strategy Grant to the McMullin Area Groundwater Sustainability Agency (MAGSA) to develop a strategy for the creation of a Groundwater Credit Program and coordination with other agencies that could potentially market water to MAGSA. The grant will fund consultant services only, including the analysis of legal/water rights issues, legal framework for implementation of the strategy, and analysis of decision support tools. The proposed grant does not include any proposed construction or modification of new or existing facilities.

Reclamation determined the proposed action constitutes a Federal undertaking, as defined at 36 CFR § 800.16(y), that has no potential to cause effects to historic properties pursuant to 36 CFR § 800.3(a)(1). As such, Reclamation has no further obligations under Title 54 U.S.C. § 306108, commonly known as Section 106 of the National Historic Preservation Act (NHPA). I have reviewed the draft project description from EA-19-017 and the proposed action will not have significant impacts on properties listed or eligible for listing in the in the National Register of Historic Places.

This document conveys the completion of the cultural resources review and NHPA Section 106 process for this undertaking. Please retain a copy of this document in the administrative record for the proposed action. Should changes be made to the proposed action, additional NHPA Section 106 review, possibly including consultation with the Tribal Historic Preservation Officer or State Historic Preservation Officer, may be necessary.