

**Initial Study
and
Proposed Negative Declaration**

for

**Option Agreement
Between Glenn-Colusa Irrigation District,
San Luis & Delta-Mendota Water Authority and
the United States Bureau of Reclamation for 2008 Operations,
and Related Forbearance Program**

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GLENN-COLUSA IRRIGATION DISTRICT

PROPOSED NEGATIVE DECLARATION

Project Title: Option Agreement Between Glenn-Colusa Irrigation District, San Luis & Delta-Mendota Water Authority and the United States Bureau of Reclamation for 2008 Operations, and Related Forbearance Program

Project Proponent: Glenn-Colusa Irrigation District ("GCID").

Project Location: GCID's service area within Glenn and Colusa Counties and the service area of participating districts in the San Luis & Delta-Mendota Water Authority ("SLDMWA") in Fresno, Kings, Merced, San Benito, San Joaquin and Stanislaus Counties.

Project Description: Under the Agreement which includes an option provision, GCID proposes to forbear its diversions of surface water which would then be diverted by the Bureau of Reclamation ("Reclamation") under its permits, and then made available to the SLDMWA during the 2008 irrigation season. If SLDMWA exercises its option under the agreement, GCID will provide up to 82,500 acre-feet of surplus water in accordance with a forbearance program undertaken by GCID in cooperation with its landowners who voluntarily decide to participate in the program by crop idling or crop shifting. GCID will also provide up to 2,500 acre-feet of water made available from groundwater substitution produced from two GCID-owned electric groundwater wells.

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This document has been prepared pursuant to the requirements of the California Environmental Quality Act (Sections 21000, et seq., Public Resources Code) and the State CEQA Guidelines (Sections 15000, et seq., Title 14, California Code of Regulations).

Based upon the following Initial Study, it has been found that:

- this project would not have a significant effect on the environment.
- mitigation measures included in the project would avoid potentially significant effects.

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SECTION 1 - PROJECT DESCRIPTION

1.0 PROJECT INTRODUCTION AND BACKGROUND

Under the proposed Agreement, Glenn-Colusa Irrigation District ("GCID") proposes to forbear its diversions of surface water which would then be diverted by the Bureau of Reclamation ("Reclamation") under its permits, and then made available to the San Luis & Delta-Mendota Water Authority ("SLDMWA") during the 2008 irrigation season. If SLDMWA exercises its option under the Agreement, GCID will provide 82,500 acre-feet of surplus water in accordance with a forbearance program undertaken by GCID in cooperation with its landowners who voluntarily decide to participate in the program by crop idling or crop shifting. GCID will also provide up to 2,500 acre-feet of water made available from groundwater substitution produced from two GCID-owned electric groundwater wells. The proposed Agreement and forbearance program (the "Project") would be performed and implemented for the 2008 irrigation season only.

The Agreement provides that GCID will forbear a portion of its base supply and Project water identified in its Sacramento River Settlement Contract ("Settlement Contract") with Reclamation. The forbearance shall be undertaken in a manner that allows Reclamation to deliver the forborne water supply as Central Valley Project ("CVP") water to SLDMWA. The term of the Agreement will be from the date of execution of the Agreement through and including February 28, 2009.

The Agreement enables Reclamation to implement Section 3406d(1) of the Central Valley Project Improvement Act ("CVPIA") which requires the Secretary of the Department of Interior to diversify sources of supply to minimize adverse effects upon Project contractors from delivery of Level II refuge water supplies south of the Sacramento-San Joaquin Delta ("Delta").

Under the proposed Project, GCID's landowners, who voluntarily decide to participate in the forbearance program, will commit to forbear from the use of surface water that GCID would otherwise provide to those landowners during the 2008 irrigation season. In order to forbear from taking surface water deliveries from GCID, GCID's landowner participants may voluntarily choose to idle acreage or substitute different crops that use less water. GCID will verify the amount of surface water that has been forborne by participating landowners and that supply will remain undiverted in the Sacramento River where the water supply, less Delta carriage losses, will be diverted by Reclamation under its CVP permits and made available to SLDMWA and its contractors.

Under the Agreement, GCID would forbear the diversion of up to 85,000 acre-feet that GCID would otherwise be entitled to divert under the terms of its Settlement Contract with Reclamation (Contract No. 14-06-200-855A); and which, in the absence of the forbearance, would be diverted during 2008 for use on lands within GCID's service areas. Under the proposal, the forborne water would be deemed to be comprised of base supply and Project water in the same ratio as these types of water are identified in Schedule A of GCID's Settlement Contract. This forbearance would be undertaken in a manner that allows Reclamation to deliver the forborne water supply as Project water to

SLDMWA. Water made available would be delivered to Reclamation at the intake of GCID's Hamilton City pumping plant at River Mile 206 on the Sacramento River, with control of such water accruing to Reclamation at its upstream reservoirs or exported in the Delta.

Under the Agreement, Reclamation would operate the CVP so as to deliver water made available as a result of GCID's forbearance of diversions to SLDMWA and its contractors, at the locations identified in their respective water service contracts. During balanced conditions in the Delta (as defined in the Coordinated Operations Agreement), Reclamation would, to the extent possible, directly divert the water forborne as additional Project water at Jones or Banks Pumping Plants (assuming there is unused pumping capacity and all conditions necessary for joint point of diversion are met), or would, to the extent that operational conditions upon the Sacramento River permit, back the forborne water into Reclamation's upstream storage so that it can be released and diverted in the Delta at a later time when export capacity becomes available.

During excess conditions in the Delta and when the CVP reservoir release is controlled by a downstream flow objective, Reclamation would, to the extent possible, store water forborne in an upstream CVP reservoir for later release and diversion in the Delta. Such operational conditions would be identified by Reclamation's Central Valley Operations Office ("CVO"), which would keep daily records of the volume of the forborne water as it becomes available for export and/or storage. Forborne water made available under conditions that do not permit its diversion from the Delta and/or storage in upstream reservoirs would be considered lost. Water backed into storage pursuant to this proposal would be delivered to the SLDMWA and its contractors as soon as possible after its storage in an upstream reservoir. The SLDMWA and its contractors would pay for such storage at the rate determined by Reclamation. Water stored in an upstream CVP reservoir pursuant to this forbearance proposal would be the first water to spill. Water not spilled and carried over to the following year will be available to SLDMWA as supplemental water to be pumped at the Delta facilities when there is pumping capacity.

In order to forbear from taking surface water deliveries from GCID, GCID's landowner participants may voluntarily choose to idle acreage or substitute different crops that use less water. GCID anticipates that rice acreage will comprise most of the crop acreage, if not all, that will be involved as part of the forbearance program. In order to provide for an assessment for environmental impacts, and to address concerns regarding potential economic impacts, GCID will not allow more than 20% of the total acreage within GCID that was served with surface water deliveries from GCID during the 2007 irrigation season to be idled as part of the Project. In this regard, approximately 125,000 acres were planted within GCID and served with surface water deliveries from GCID, during the 2007 irrigation season. The proposed Evapo-Transpiration Rate of Applied Water ("ETAW") for rice culture is 3.3 acre-feet per acre, which is consistent with the recent ETAW rates used for water transfers in the Sacramento Valley based on crop idling of rice acreage (California Water Plan Update, Bulletin 160-05, December 2005). Thus, if up to 20% of GCID's 2007 acreage is idled under the forbearance program

(125,000 x .20 = 25,000 acres), the water made available for transfer by idling rice would be up to 82,500 acre-feet of water (25,000 acres x 3.3 acre/ft/acre.).

GCID will also allow for crop shifting under this forbearance program, however, it is expected that no more than 1,000 acres would participate by landowners who voluntarily choose to cultivate different crops having lower water demand. In these cases, the difference between the ETAW of the higher and lower water demand crops would be used to calculate water made available. The remaining 2,500 acre-feet that could be transferred would be made available by groundwater substitution attributable to pumping from two GCID-owned electric wells.

The SLDMWA was established in January of 1992 and consists of 32 Member Agencies representing approximately 2,100,000 acres of federal and exchange water service contractors within the western San Joaquin Valley from the City of Tracy in the north to Kettleman City in the south, as well as portions of Monterey, San Benito, Santa Cruz, and Santa Clara counties. (See listing of Member Agencies below.)

WATER AUTHORITY MEMBER AGENCIES

Division 1: Delta Division – Upper DMC

- 1) Banta-Carbona Irrigation District
- 2) Byron-Bethany Irrigation District
- 3) Centinella Water District
- 4) City of Tracy
- 5) Del Puerto Water District
- 6) Patterson Irrigation District
- 7) Westside Irrigation District
- 8) West Stanislaus Irrigation District

Division 2: San Luis Unit – SLC

- 9) Panoche Water District
- 10) Pleasant Valley Water District
- 11) San Luis Water District
- 12) Westlands Water District

Division 3: Exchange Contractors and Refuges

- 13) Central California Irrigation District
- 14) Columbia Canal Company
- 15) Firebaugh Canal Water District
- 16) Grassland Water District
- 17) San Luis Canal Company

Division 4: San Felipe Division

- 18) Pajaro Valley Water Management Agency
- 19) San Benito County Water District
- 20) Santa Clara Valley Water District

Division 5: Delta Division – Lower DMC & Mendota Pool

- 21) Broadview Water District
- 22) Eagle Field Water District
- 23) Fresno Slough Water District
- 24) James Irrigation District
- 25) Laguna Water District
- 26) Mercy Springs Water District
- 27) Oro Loma Water District
- 28) Pacheco Water District
- 29) Reclamation District 1606
- 30) Tranquillity Irrigation District
- 31) Turner Island Water District
- 32) Widren Water District

The SLDMWA is responsible for delivery of approximately 3,000,000 acre-feet of water to its Member Agencies. Of this amount, 2,500,000 acre-feet are delivered to highly productive agricultural lands, 150,000 to 200,000 acre-feet for M&I uses, and between 250,000 to 300,000 acre-feet are delivered to wildlife refuges for habitat enhancement and restoration.

Water use in the CVP Westside region is dependent upon land use, which is characterized as agricultural, M&I, or habitat management. Agricultural water use occurs on approximately 850,000 irrigated acres on the Westside. The current M&I water supply provides a portion of the water supply needs for approximately two million people in Santa Clara and San Benito Counties as well as the San Joaquin Valley. Water use for habitat management occurs on approximately 120,000 acres of refuge lands.

The Westside water supply is comprised of CVP water, groundwater and local surface water. Since 1989, CVP water supply allocations have decreased significantly for Westside CVP contractors. Current water supply modeling efforts have shown that this decline is primarily attributable to implementation of the following laws and regulations:

- State Water Resources Control Board water quality standards for the Bay-Delta; Decision-1485 and Decision-1641.
- State and Federal Endangered Species Act provisions.
- Central Valley Project Improvement Act (P.L. 102-575) implementation.

The annual CVP allocation for south-of-Delta contractors is described in terms of a percentage of the total contracted supply under CVP south-of-Delta water service contracts for irrigation and M&I uses (“Contract Total”). This transaction is needed because the CVP south-of-Delta irrigation allocation for water service contractors for 2008 is anticipated to be as low as 30% to 60% of the CVP Contract Total. By comparison, the projected long-term average allocation of CVP irrigation water south-of-Delta is approximately 65% of Contract Total, and a recent historic average is 76.4%

over the past five years, with a variation between 50 and 100%. The potential reduction in 2008 water allocation is further exacerbated due to lower than average CVP carryover storage and Federal Court-mandated actions for delta smelt protection. This water purchase would assist in acquiring an amount of water for the participating south-of-Delta CVP water service Contractors to help make up for the reduced water allocations. None of the purchased water would be made available to supplement water under settlement or exchange contracts, as these do not share in the allocation shortages imposed on the water service contractors.

1.1 PROJECT LOCATION

The Project area, defined by the region in which the water is made available, is within the GCID boundaries, and situated within Glenn and Colusa Counties. See Figures 1 and 2. The precise location of the lands involved in the Project will be dependent upon the actual landowners who voluntarily choose to participate in the forbearance program for 2008. GCID will make efforts to disperse any idled lands under the forbearance program to minimize any localized effects of idled lands. Because participation in the forbearance program will be offered to all eligible growers, GCID anticipates a wide dispersal of acreage enrolled in the program. In this regard, the lands within GCID that are currently enrolled to participate in the forbearance program for 2008 are depicted on the map in Figure 3. In any event, adequate water levels will be maintained by GCID in laterals and drains associated with the idled lands, which will avoid any potential wildlife impacts associated with dewatered conveyances. Prior to the water being made available under the forbearance program, GCID will have a completed map showing all fallowed lands participating in the Project. Additionally, the two GCID-owned electric wells are shown on Figure 1.

The SLDMWA region stretches from the City of Tracy in San Joaquin County at the north to Highway 41 and Kettleman City in Kings County to the South. On the east, the region is generally bounded by the San Joaquin River and to the west by the Coast Range. The region also encompasses parts of Monterey, San Benito, Santa Clara, and Santa Cruz Counties. The areas participating in this Project are expected to include Del Puerto Water District, Pacheco Water District, Panoche Water District, San Luis Water District, San Benito County Water District, and Westlands Water District, water service contractors in Fresno, Kings, Merced, San Benito, San Joaquin, and Stanislaus Counties. A map of the SLDMWA illustrating its external and internal boundaries, including those of the participating districts, can be found in Figure 4. The Contract Total for the participating districts is 1,681,453 acre-feet, as set out in the below Table.

DISTRICT	CONTRACT TOTAL ACRE-FEET
Del Puerto	140,210
Pacheco	10,000
Panoche	94,000
San Luis	125,080
San Benito County	43,800
Westlands (including assignments)	1,268,363
TOTAL	1,681,453

1.2 WATER QUANTITIES AND METHODS OF MAKING WATER AVAILABLE

No new construction by or improvements to GCID, Reclamation, SLDMWA, or its contractors' facilities would be necessary for the transfer of water from GCID to SLDMWA. The point of delivery for any transferred water will be at the intake of GCID's Hamilton City pumping plant at River Mile 206 on the Sacramento River. Water will be delivered on the basis of what the ETAW would have been for the participating croplands that are idled plus water made available through planting of reduced water demand crops. That is, only the water that would have been consumed in the process of crop use, in this case primarily rice culture, would be available for transfer. The ETAW for rice culture in the Sacramento Valley is calculated at 3.3 acre-feet per acre per growing season (California Water Plan Update, Bulletin 160-05, December 2005). Accordingly, for every participating acre of rice production idled or cultivated without surface water from GCID, 3.3 acre-feet of water would be made available for transfer across the growing season. The ETAW values that have been assigned to various croplands that may participate under the Project are identified below in Table 1.1.

Table 1.1
Estimated ETAW Values for Various Crops
For Use in 2008 Irrigation Season Forbearance Program

Crop	ETAW
Rice	3.3
Tomato	1.8
Safflower	.7
Wheat	.5
Corn	1.82
Sunflower	1.43
Alfalfa	3.0
Melon	1.12
Bean	1.52
Onion	1.1
Vine Seed	1.12
Sudan Grass	3.0
Walnut	3.0
Almond	3.0
Oats	.5
Pumpkin	1.1
Pasture	3.3
Cotton	2.8
Milo	1.65
Silage	1.8
Carrots	1.1

