

NOTICE OF EXEMPTION

To: Office of Planning & Research
1400 Tenth Street
Sacramento, CA 95814

To: Stanislaus County Clerk
1021 "I" Street, Suite 101
Modesto, CA 95354

Lead Agency/Applicant Name:

Del Puerto Water District
17840 Ward Avenue
P.O. Box 1596
Patterson, CA 95363
(209) 892-4470

Project Title: Conversion of Del Puerto Water District's Existing Long-Term Renewal of Central Valley Project Water Service Contract with the United States Bureau of Reclamation, Contract No. 14-06-200-922-LTR1.

Location -- Specific: Within the boundaries of the Del Puerto Water District.

Location -- County: Stanislaus, Merced, San Joaquin.

Description of Activity: The District has an existing long-term renewal contract with the United States Bureau of Reclamation ("Bureau"), for delivery of Central Valley Project ("CVP") water to, or on behalf of, the District ("Existing Contract"). The Project involves the authorization of the conversion of the District's Existing Contract, which has a 25-year term with a right of successive renewal, to a repayment contract with the Bureau for delivery of such water to, or on behalf of, the District not subject to renewal ("Repayment Contract"). The conversion of the Existing Contract to the Repayment contract was originally provided for in Section 9(d) of the Reclamation Act of 1939, as supplemented in 1956. On or about December 16, 2016, the 114th Congress of the United States of America enacted the Water Infrastructure Improvements for the Nation Act, (Public Law 114-322, 130 Stat. 1628) (the "WIIN Act"), which provided that the Secretary of the Interior shall "convert any water service contract in effect on the date of enactment" of the WIIN Act to a repayment contract upon the request of a contractor. The conversion of the Existing Contract to the Repayment Contract was originally provided for in 1939, and the WIIN Act accelerates that conversion and repayment. Upon the District making the accelerated and discounted repayment of its share of current CVP capital obligations, the Repayment Contract provides, among other things, that the District will no longer be subject to acreage limitations, reporting, and full costs pricing provisions of the Reclamation Reform Act of 1982 (96 Stat. 1263), and that the District reserves and shall have all of the rights available to it under the Act of July 2, 1956 (70 Stat. 483).

The water available to the District under the Repayment Contract will be diverted through the same CVP facilities as the water provided under the Existing Contract. The District will continue to distribute CVP water received pursuant to the Repayment Contract through the same District distribution facilities used in connection with water made available under the Existing Contract. The Repayment Contract does not increase the quantity of CVP water to be made available to the District, and no additional lands within the District will be irrigated as a result of the conversion to the Repayment Contract.

The Project's beneficiaries are the District and its landowners and water users.

Name of Public Agency Approving or Carrying Out Activity: Del Puerto Water District.

Exempt Status:

- Ministerial
- Declared Emergency
- Emergency Project
- Categorical Exemption.** State type and section number: Class 1-Operation of Existing Facilities (14 CCR §15301); Common Sense Exemption (14 CCR §15061(b)(3)).
- Statutory Exemption.** Ongoing Project (14 CCR §15261; Pub. Resources Code §121169).

Reasons Why Project is Exempt: Assuming that the Project (conversion of the District's Existing Contract to a Repayment Contract) is subject to CEQA, the Project is exempt from CEQA on the basis of the following three (3) authorized exemptions:

First, the Project is exempt as an ongoing project which was originally approved and authorized prior to the implementation of CEQA. (See 14 CCR §15261; Public Resources Code § 21169.) The District has had a water service contract from the United States Bureau of Reclamation in place since 1953 ("Original Contract"), which has been renewed on several occasions since that date. The conversion which is occurring is from a long-term water service contract subject to successive renewal (the Existing Contract) to a permanent water service contract (the Repayment Contract). The Repayment Contract will not require successive renewals. Such conversion has been authorized under federal law since the enactment of the Reclamation Project Act of 1939 (Act of August 4th, 1939, Chapter 418, 53 stat. 1187), as supplemented by the Act of July 2, 1956, Chapter 492, Stat. 483. The District is required to pay off its capital obligations in their entirety to the United States no later than 2030 under its Existing Contract. Under the authority of the WIIN Act, the Repayment Contract will require the District to pay off its current capital obligations, at a discount, either immediately in lump sum, or installments within three years of the Repayment Contract becoming effective. Under the Repayment Contract, the CVP and the District's water distribution system will be administered within the same range of operations and with the same facilities as specified under the Original Contract and all renewal contracts including the Existing Contract. There will be no expansion or enlargement of entitlement to CVP water, no expansion or enlargement of facilities, and no irrigation of additional lands, as a result of the Repayment Contract. (See *Nacimiento Regional Water Management Advisory Committee v. Monterey County Water Resources Agency* (1993) 15 Cal.App.4th 200; *Bloom v. McGurk* (1994) 26 Cal.App.4th 1307.)

Second, the Project is exempt from CEQA as a Class 1 Categorical Exemption under 14 CCR §15301. The Repayment Contract provides for continuing operation and maintenance of existing facilities which will continue delivery of irrigation or M&I water on a permanent basis, consistent with annual water allocations. No construction, reconstruction, expansion or extension of existing District facilities will result from this action, nor will there be any expansion or a change in the irrigated lands within the District. The Repayment Contract will allow the District to continue providing the same water service through the same facilities as the

Original Contract and all renewals, including the Existing Contract, and no expansion of the current facilities will occur. *(Id.)*

Third, the project is exempt under the provisions of 14 CCR §15061(b)(3) in that it can be seen with certainty that the Project involves only changes in administrative and financial terms performed by the District in connection with its Existing Contract which do not have any significant effects of the environment. There is no possibility that the changes to the administrative and financial terms or the contract conversion will have significant environmental effects in that the operations and facilities of the District, including the facilities used for the delivery of that water, will not be modified or expanded as a result of conversion to the Repayment Contract. There will not be any change in land uses as a result of the conversion, nor will any additional lands in the District be subject to development for irrigated agriculture as a result of these administrative changes.

Lead Agency Contact Person: Anthea G. Hansen

Telephone: (209) 892-4470

Signature: _____
Anthea G. Hansen

Title: General Manager

Date: _____

- Signed by Lead Agency
- Signed by Applicant

Date received for filing OPR:

Date received for filing by County Clerk:
