

Topic: **Sites Reservoir Project****2016 October 08**Subject: **White Paper: Accelerated Development/Release of Public Draft EIR/S to Accommodate Reclamation Feasibility Study Schedule**

Purpose: This document summarizes an environmental analysis, permitting and regulatory approach that integrates the need for a WSIP EIR/EIS as part of the California Water Commission Proposition 1 funding process and the Reclamation’s Department of the Interior-driven schedule requiring release of a final Federal Feasibility Study and Environmental Impact Statement (“EIS”) by late 2017. This approach anticipates production of critical documentation the same time the California Water Commission (“CWC”) is reviewing the Authority’s WSIP application in preparation to award funding from Proposition 1, Chapter 8. The Commission’s initial funding decision is currently expected to occur by Dec. 2017.

Project: The Authority’s and Reservoir Project Agreement Committee’s (Member’s) phase-based implementation plan’s Phase 1 efforts include submittal of a “publicly available” joint environmental impact report (“EIR”) and EIS that meets the requirements set forth in the WSIP application regulations (WSIP EIR/S), the federally required analysis of change of operations and facilities (Tehama-Colusa Canal) and anticipated permitting requirements. Phase 2 of the implementation plan includes the completion of the California Environmental Quality Act (“CEQA”) and the National Environmental Policy Act (“NEPA”) processes and complete a final EIR/S.

On September 21, 2015, the Authority separately approved the AECOM and CH2M contracts, scopes of work, and estimated fees. Each contract included staged Notices To Proceed to align with the approved Phase 1 cash flow and 75% Member’s approval of Amendment #2 to the Agreement. Initial NTPs were issued on November 2, 2015. On May 9, 2016, the Authority approved task orders for the CH2M team to begin revising and updating the DWR-led Preliminary Administrative Draft EIR/S (“PAD EIR/S”), which was posted in December 2013 on DWR’s website. The PAD EIR/S will be revised to include the locally preferred alternative (“Alternative D”) and be submitted to the CWC as the WSIP EIR/S in June 2017. The CWC plans to make available for public review, all applications, which includes their respective “publicly available” environmental document (“Draft WSIP EIR/S”). All applicants should expect that public comments will be provided to the CWC prior to the CWC making their initial funding decision.

Since receiving congressional direction in December 2015, Reclamation began work to complete its Federal Feasibility Study by Nov. 2017. Currently, Reclamation’s interpretation of the congressional directive is to include a Final EIS (Federal Feasibility EIS) as part of the Federal Feasibility Study. Reclamation has identified a precursor step includes preparation of a Draft EIS which will be reviewed by

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Preparer: Watson

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Notes:

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federal cooperating agencies such as the Environmental Protection Agency (“EPA”)¹ and by the public. To meet Reclamation’s schedule, a Draft EIS needs to be issued in spring /early summer 2017.

Recommended Strategy: Since the environmental document will be publicly reviewed as part of both the CWC’s Prop 1 funding and Reclamation’s feasibility study processes, it is in the Members’ best interest to engage staff to develop and coordinate the preparation of an integrated WSIP EIR/S and the Federal Feasibility EIR/S to allow the same document to serve both purposes and then, in Phase 2, advance this integrated document to become the Final EIR/S; covering both the federal and Authority’s project. To accomplish this, the Members would need to (a) commit to prepare the technical analyses appropriate for CEQA and NEPA in Phase 1 and Final EIR/S as key aspects become better defined in Phase 2 (e.g. operations) and (b) the Authority needs to be prepared to make revisions to the integrated WSIP EIR/S and the Federal Feasibility EIR/S following the decision made by the Water Commission.

Actions Needed to Implement the Recommended Strategy: The following identifies key items and/or assumptions related to the PAD EIR/S that need to be considered for potential issues and that may require additional actions to produce an integrated WSIP and Federal Feasibility EIR/S:

1. Notice of Preparation/Intent to prepare an EIR/S that was issued in 2001. New notices should be developed to update the identification of the lead agency(s) and other items.
2. “Existing conditions,” future environmental conditions (“No Action”), and cumulative impacts would need to be updated.
3. Alternatives analyzed in detail in the PAD EIR/S are limited to Sites Reservoir size/facility configurations with minimal discussion of prior alternatives screening efforts as contemplated under NODOS. The alternatives discussion should be updated and expanded to include the current list of alternatives.
4. Conceptual Operations Plan for each of the alternatives and potential ownership concepts would need to be developed for the EIR/S. These plans cannot be finalized until the WSIP process is complete; whereby the State’s participation (and potential federal participation) have been established.
5. The 2010 version of CALSIM II was used as basis of modeling effort in the PAD Preliminary Draft EIR/S. Since the CALSIM II modeling system has been updated (released in 2015) This—the modeling results and related impact analyses would need to be considered and updated, as necessary. It is expected that the update may be limited to the to a more recent version (~~potentially by~~

¹ Pursuant to the National Environmental Policy Act, Council on Environmental Quality Regulations (40 CFR Parts 1500-1508), and NEPA review authority under Section 309 of the Clean Air Act, the U.S. Environmental Protection Agency would review the Draft EIR/S as to level of adequacy and anticipated impacts. Such a review (as is customary) occurred as part of the EPA’s evaluation of the Shasta Lake Water Resources Investigation EIS.

~~comparison of hydrologic results) but without requiring the update of all water quality and aquatic resource subsidiary models may not require update.~~

6. Biological surveys were conducted more than 15 years ago. This information would need to be updated with the best available information for the EIR/S and finalized with detailed survey once the design is more complete.
7. Cultural resources surveys (and inter-governmental consultations) have not been completed for all proposed footprint of disturbance areas. This information would need to be updated with the best available information for the EIR/S and finalized with detailed survey once the design is more complete.
8. Climate change and greenhouse gas evaluation approaches in the PAD EIR/S were based upon currently outdated methods and may not fully meet the needs of the Authority, DWR, and Reclamation. This information would need to be updated with the best available information for the EIR/S.
9. Assessment of impacts did not account for recent agency issue area comments (e.g. water quality impacts).
10. Staging of hydropower & renewable energy operations will result in the temporary need to obtain power and associated greenhouse gas emissions until these facilities become operable.

The following provides a brief review of items that would need to be addressed in the development of a Draft and Final EIR/S. Overall it is recommended that the document clarify what is currently known (e.g. majority of facility footprints, with the notable exception of the revised powerline alignment to the Delevan Intake), as well as the best estimate of facilities plans and operations. These estimates may need further analysis and refinement (e.g. operational details and presence of special status species) when the details become available. It is recommended, as described below, that the Draft and Final EIR/S specify that additional environmental review would be necessary and would be conducted as additional project details (e.g. operations) are more fully defined and that mitigation (e.g. pre-construction surveys) be clearly specified and described.

1. **Notice of Preparation/Intent:** The current State Clearinghouse Notice of Preparation (NOP) and Federal Register Notice of Intent (NOI) were filed November 5, 2001, and November 9, 2001, respectively, to announce the intent to prepare a joint EIR/S for the proposed Project. While these filings occurred 15 years ago, there is no statutory requirement to reissue either notice. However, it is good practice to update these public notices. Discussions with the California Office of Planning and Research Clearinghouse (Clearinghouse) confirm that the Authority should publish a notice (revised NOP) to clarify its lead agency role in the Draft EIR (it is also recommended that a letter be provided to the Clearinghouse indicating DWR would be acting as a responsible agency rather than lead). Our federal partner (Reclamation) may also choose to update its NOI. Each of these publications should occur prior to the submittal of the application to the Water Commission rather than wait until Phase 2. The CEQA NOP typically establishes the date for the existing conditions baseline. However, to integrate with NEPA requirements, the CEQA analysis may also use a ‘future

baseline' for the analysis. Reissuing the NOP would allow the Authority to use the current environmental and regulatory conditions in the WSIP EIR/S.

2. **“Existing conditions,” Future conditions (“No Action”), and Cumulative Impacts do not Incorporate Many Projects Now in Place:** The existing/current conditions (CEQA baseline) and future No Action (NEPA baseline) discussions would need to be revised to describe recent implementation of various projects and regulatory changes since completion of the PAD EIR/S. The integrated WSIP EIR/S (including the Authority’s discretionary actions with Reclamation’s actions and the items relating to the Feasibility Study, as well as the issuance of all permits) and Federal Feasibility EIR/S would describe the effects of the Project. ~~It is expected that the ultimate results of the 2010 v. 2015 CALSIM II models results will be ‘different’ from those used in the Preliminary Draft PAD EIR, these differences, when transferred as inputs to the detailed subsidiary (water quality and ecological) models, would not need to be revised since it is assumed these changes would not result in new significant impacts. These differences would also need to be described in the context of the modeling impact assessment. It is recommended that the Draft WSIP EIR/S contain an evaluation of the environmental effects of the project when compared to the existing conditions and future baseline (as required by CEQA and NEPA guidelines) based on the best available information and an estimate of future conditions without the project. For some environmental resources these effects may be based on the baseline conditions evaluated in the PAD EIR/S while others based on more current information.~~ This includes updates to the regulatory conditions. Cumulative impacts would be based on projects that are ‘reasonably foreseeable’ at this time. Projects that have been completed since the PAD EIR/S would be included in the existing conditions.
3. **Alternatives Limited to Sites Reservoir Size/Facility Configurations:** The PAD EIR/S evaluates several potential Sites Reservoir size/facility configurations in addition to a cursory evaluation of Newville Reservoir. While some discussion of the CALFED screening process is included, the Draft EIR/S would need to include an expanded discussion of the screening process initiated in 1992 to support the decision to only analyze in detail a range of alternative configurations for Sites Reservoir.
4. **Operations Plan Cannot Be Finalized Until WSIP Process is Completed:** The Operations Plan being developed to support the WSIP application accounts for Member-requested water supplies but it cannot be finalized until the WSIP process is completed and water quantities and timing of availability can be formally agreed to with all final participants, which is expected to include the State and potentially the federal government. As such, the Draft EIR/S would evaluate anticipated range of operations to the extent potential impacts and benefits could be identified, and state that additional environmental documentation would need to be completed in the future (either a supplemental or addendum document) as determined necessary by the Authority once federal, state, and water agency participation and associated operations are finalized. Such a range of operations may need to include a scenario where the Project is advanced for the benefit of those parties participating in financing the Project.

5. **Previous Version of CALSIM II Used for Modeling:** The PAD EIR/S uses the 2010 version of the CALSIM II model which has recently been superseded by a 2015 version. It is recommended that the analysis of the effects on hydrology and other related effects in the integrated Draft WSIP EIR/S and Federal Feasibility EIR/S describe these effects based on the best information available. However, in an effort to meet the time requirement of the overall schedule, the hydrologic modeling may contain a detailed discussion of the relative differences in results between the two versions of the model and that it clearly describe the differences between the hydrologic and operational results from these two versions relative to the significance criteria (for CEQA) and environmental effects (for NEPA). Subsidiary models that forecast environmental effects on aquatic resources that are dependent the results of the CALSIM II model would not be updated if the comparison of hydrological results would not result in a substantial change in environmental effects or significance determination. Similar to the baseline issue, this approach may generate public comments, but should be considered appropriate with regard to using the best available science and relevant information. Hydrologic and operational model results (and all or some of the subsidiary aquatic resources forecast models) may be updated in Phase 2 to respond to comments and prepare the Final EIR/S, and this update may the use of model version.
6. **Biological Surveys Conducted More than 15 Years Ago:** Detailed biological surveys were conducted for a variety of species throughout the project area, but in some instances are more than 15 years old. It is typically stated in an EIR/S that appropriately timed (depending on the species) surveys be conducted prior to the publication of the Draft EIR/EIS and updated before construction regardless of the date surveys are conducted as part of the preparation of the environmental document. As such, it is recommended that the document present the best available information and further state such surveys would be conducted (including those requiring multiple years such as for golden eagle) during the design phase and prior to construction per agency-established protocols. Additionally, it is recommended that all mitigation requirements be updated to account for all current agency requirements.
7. **Cultural Resources Surveys Not Completed for All Disturbance Areas:** Detailed cultural surveys were conducted beginning in 2005 for the majority of proposed project disturbance area where access was possible. It is recommended that the document describe the existing characteristics of cultural and historic resources and clarify that detailed surveys would be conducted as necessary during the design phase and prior to construction to support required approvals processes (including federal Section 106 (historic) and state AB 52 (tribal) processes) to allow for implementation of the project.
8. **Climate Change and Greenhouse Gas Evaluation Needs to Be Updated:** The evaluation of impacts related to climate change and greenhouse gas emissions is an evolving area of policy and associated analysis as evidenced by the White House Council on Environmental Quality issuing revised guidance just last month. The PAD EIR/S includes an evaluation of potential project related impacts but it was recognized that additional analysis would need to occur during

preparation of the Public EIR/S. It is recommended that an approach be documented and vetted with Reclamation (based on recent basin studies and California Air Resources Board criteria) and discussed with DWR (a Responsible Agency) including anticipated WSIP related climate change assumptions.

It should be noted that the currently-approved scope of work does not include the evaluation of climate change impacts for the WSIP application or WSIP EIR/S given the uncertainty in WSIP requirements at the time the scope of work was approved by the Authority. While modeling assumptions were released September 9, the application requirements have not been provided and approved by the Commission.

9. Assessment of Impacts Did Not Account for Recent Issue Area Agency

Comments: Evaluation of impacts and the description of some regulatory requirements (including the Biological Opinions) need to be revised to address agency comments on other recent EIR/S and to update and clarify requirements since the PAD EIR/S was prepared. For example, the analysis of potential water quality impacts in the context of established beneficial uses of a given water body in addition to criteria/objectives would need to be revised.

10. Staging of Hydropower & Renewable Energy Operations Will Result in Temporary Need to Obtain Power and Generate Greenhouse Gas Emissions

Emissions: The process to obtain Federal Energy Regulatory Commission approval for the hydropower generation component of the project is quite complicated and lengthy and could delay the start of construction. It is recommended that a variation of Alternative C (“Alternative C1”) be included in the integrated Draft WSIP EIR/S and Federal Feasibility EIR/S to address the potential for greenhouse gas emissions associated with the need to obtain power for various project facilities prior to project hydrogeneration facilities becoming operational. The inclusion of this sub-alternative will also need to be discussed with Reclamation as it would be included in the Federal Feasibility EIR/S but not the Federal Feasibility Study.