

## Notice of Exemption

## Appendix E

To: Office of Planning and Research  
P.O. Box 3044, Room 113  
Sacramento, CA 95812-3044

County Clerk

County of: Fresno & Merced

From: (Public Agency): Panoche Water District

52027 W. Althea Ave.

Firebaugh, CA 93622

(Address)

Project Title: See Attachment A

Project Applicant: Panoche Water District

Project Location - Specific:

Within the Boundaries of Panoche Water District in Fresno and Merced Counties

Project Location - City: Firebaugh

Project Location - County: Fresno Merced

Description of Nature, Purpose and Beneficiaries of Project:

See attachment A

Name of Public Agency Approving Project: Panoche Water District

Name of Person or Agency Carrying Out Project: Panoche Water District

Exempt Status: **(check one):**

☐ Ministerial (Sec. 21080(b)(1); 15268);

☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));

☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));

☒ Categorical Exemption. State type and section number: CEQA Guidelines Section 15301

☒ Statutory Exemptions. State code number: PRC 21080(b)(8); 21169-21171; Guidelines 15261 & 15273

Reasons why project is exempt:

See attachment A

Lead Agency

Contact Person: Ara Azhderian

Area Code/Telephone/Extension: 209-364-6136

**If filed by applicant:**

1. Attach certified document of exemption finding.

2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature: 

Date: Dec. 31, 2020

Title: General Manager

☒ Signed by Lead Agency ☐ Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.  
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: \_\_\_\_\_

## **Attachment “A”**

### **Notice of Exemption**

**Project Name:** Contract between the United States and Panoche Water District Providing for Project Water Service San Luis Unit and Delta Division and Facilities Repayment

**Description of Nature, Purpose and Beneficiaries of Project:**

The project is the execution of the CONTRACT BETWEEN THE UNITED STATES AND PANOCHÉ WATER DISTRICT PROVIDING FOR PROJECT WATER SERVICE SAN LUIS UNIT AND DELTA DIVISION AND FACILITIES REPAYMENT, Contract No. 14-06-200-7864A-IR1-P (the “Repayment Contract”), which converts the District’s existing water service contract to a repayment contract with the United States Bureau of Reclamation (“Reclamation”). Authorized by the Water Infrastructure Improvements for the Nation Act (Pub. L. 114-322, 130 Stat. 1628) (the “WIIN Act”), the District’s conversion to the Repayment Contract continues water service to the District in the same amounts as the District’s original Central Valley Project (“CVP”) water service contract from 1955 (the “Original Contract”) and is in the same scope and nature as ongoing District and CVP operations. The Repayment Contract allows the District to repay the capital construction costs incurred by the United States Bureau of Reclamation (“Reclamation”) for the existing CVP facilities. The purpose of this Repayment Contract is to continue long-term availability of CVP water to the District.

The direct beneficiaries of this project are the District’s landowners and water users, whose activities help support the economies of neighboring communities, most of which are disadvantaged. By converting its existing contract, the District will ensure continued water availability of CVP water to the District. The District owns, operates, and maintains facilities that supply CVP water from and deliver it to the District’s landowners and water users. Without the District, the landowners and water users now receiving CVP water would have a difficult time diverting and receiving this important supply.

**Reasons Why Project is Exempt:**

CEQA Guidelines, § 15261 – Executing the Repayment Contract is statutorily exempt from CEQA because the water deliveries currently under contract were approved prior to November 23, 1970. The District entered into the Original Contract with the United States on August 16, 1955, for the delivery of 94,000 acre-feet per year of CVP water (“Project Water”) through August 15, 1995. The District later amended the Original Contract when it entered into Contract No. 14-06-200-7864A with the United States on August 30, 1974, for the continued delivery of 94,000 acre-feet of Project Water through December 31, 2008.

Delivery of 94,000 acre-feet per year of Project Water to the District was extended pursuant to Subsection 3404(c)(1) of the Central Valley Project Improvement Act, whereby the United States and the District entered into interim renewal contracts identified as Contract Nos. 14-06-200-7864A-IR1 through 14-06-200-7864A-IR6 (collectively, “Interim Contracts”), the last of which is hereinafter referred to as the “Existing Contract”, and which have provided for the delivery of 94,000 acre-feet of Project Water annually to the District from January 1, 2009, to February 28, 2021.

With the Existing Contract set to expire on February 28, 2021, the District and the United States have negotiated and performed the necessary analyses required, including those required under the

National Environmental Policy Act ("NEPA") and the California Environmental Quality Act ("CEQA"), to enter into Contract No. 14-06-200-7864A-IR7 ("IRC7"), which, if entered into, shall serve as the District's interim renewal contract from March 1, 2021 through February 28, 2023, and which, if entered into, shall be referred to as the "Existing Contract" for purpose of converting to the Repayment Contract as provided for in the WIIN Act.

As in the Original Contract, the Interim Contracts, and the Existing Contract, the quantity and timing of Project Water delivered to the District in any given year depends on a number of conditions. The Repayment Contract would not change those terms and thus would not result in any increase or decrease in the amount of Project Water the District receives. The District will continue to receive Project Water through the same CVP facilities it currently uses, and no new construction, expansion, or modification is contemplated as part of the project. The District would continue to use the amount of up-to 94,000 acre-feet of Project Water received annually consistent with California law. Therefore, because the Repayment Contract represents the ongoing availability of Project Water to the District in the same nature and scope as the Original Contract from 1955, this statutory exemption applies.

CEQA Guidelines, § 15301 – A Class 1 exemption "consists of the operation, repair, maintenance, permitting, leasing, licensing or minor alternation of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination . . . . The key consideration is whether the project involves negligible or no expansion of existing use." (CEQA Guidelines, § 15301.) This categorical exemption applies because the Project Water the District receives pursuant to the Repayment Contract will be through existing facilities and involves no expansion of use beyond that which is already existing. Moreover, this is a single contract conversion which will not result in successive similar projects. Entering into the Repayment Contract will merely ensure continued availability of Project Water to the District, in the same amounts and through the same facilities as the Original, Interim, and Existing Contracts.

Common Sense Exemption – The "Common Sense Exemption" applies to this project. As described above, the Repayment Contract contemplates delivery in the same nature and scope as prior contracts which have been in place for over sixty-five years. The District's landowners and water users have relied on this water for the same amount of time and in the same amounts. While the Project Water actually delivered will, as always, depend on seasonal and annual availability, the Repayment Contract does not change the contracted quantity, purpose of use, timing, or facilities used. Therefore, there is no possibility the Repayment Contract may have a significant effect on the environment within the District's service area or in neighboring areas.

CEQA Guidelines § 15273 – This statutory exemption applies because part of the purpose of the Repayment Contract is to provide for the repayment of construction costs for the development of existing CVP facilities that provide water to the District. Since the passage of the Reclamation Act of 1902, federal water contractors have been required to repay an allocated portion of the construction costs for Reclamation constructed facilities, including the CVP. Converting the Existing Contract to a repayment contract allows the District to repay the capital construction costs allocated to the District, which would normally be repaid annually through the water service contracts. Thus, the District is "modifying" or "restructuring" the payment of the capital construction charges it would annually be charging to its irrigation customers. This restructuring is necessary to maintain water services throughout the District.