RESOLUTION NO. 12-8

RESOLUTION OF THE BOARD OF DIRECTORS OF PALMDALE WATER DISTRICT ADOPTING A NEGATIVE DECLARATION IN CONNECTION WITH THE BUTTE COUNTY-PALMDALE WATER DISTRICT TABLE A WATER TRANSFER FOR 2012 AND 2021

WHEREAS, Palmdale Water District (the "District") has engaged in negotiations and reached agreement with Butte County for the transfer of certain State Water Project Table A water supplies for the period of 2012, potentially, through and including 2021 (the "Project");

WHEREAS, to comply with the requirements of the California Environmental Quality Act ("CEQA"), District staff prepared an Initial Environmental Study (the "Initial Study") regarding the Project;

WHEREAS, the Initial Study concluded that the Project would have a less than significant effect on the environment, such that a Negative Declaration could be prepared;

WHEREAS, on or about June 2, 2012, the District posted the draft Negative Declaration as required by CEQA and on May 23, 2012 delivered to the State Clearinghouse the Initial Study, draft Negative Declaration and related documents;

WHEREAS, the Project was assigned State Clearinghouse Number #2012051063, and by letter dated June 22, 2012 received from the State of California Governor's Office of Planning and Research, the District was informed that one state agency submitted comments regarding the Project and the District "complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act;"

WHEREAS, the District received one comment letter from interested persons regarding the draft Negative Declaration; and

WHEREAS, a public meeting to consider the District's Board of Directors' adoption of the Negative Declaration was duly noticed and held on July 11, 2012 at 7:00 p.m.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Palmdale Water District (the "Board") hereby makes the following findings:

1. The Board has reviewed the Initial Study and the draft Negative Declaration, and has considered all comment letters received concerning the Project, and based thereon finds and determines that there is no significant environmental effect associated with the Project.

2. The Board's additional findings regarding the Project are set forth in the Negative Declaration attached hereto as Exhibit 1, which findings the Board incorporates herein by this reference.

FURTHER RESOLVED, that the Board of Directors hereby approves and adopts the Negative Declaration for the Project in the form attached hereto as Exhibit 1.

FURTHER RESOLVED, that the General Manager and staff of the District are hereby authorized and directed to take such further actions as may be necessary and appropriate to implement this Resolution, including filing the Negative Declaration with the appropriate county or other governmental authorities pursuant to CEQA and taking such other and further action as may be necessary or appropriate to carry out the purposes of this Resolution, including, but not limited to, the filing of a Notice of Determination and a California Department of Fish and Game Certificate of Fee Exemption.

PASSED AND ADOPTED this 11th day of July, 2012.

Gordon Dexter, President of
the Board of Directors of the
PALMDALE WATER DISTRICT

ATTEST:

Robert Alvarado, Secretary of
the Board of Directors of the
PALMDALE WATER DISTRICT

EXHIBIT 1

Draft Initial Study and

Proposed Negative Declaration

for the

Butte County – Palmdale Water District
Multi-Year State Water Project Table-A Water Transfer

Lead Agency:

Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550

Prepared By:

NorthStar
ENVIRONMENTAL
Formerly Galloway Consulting

May 2012

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1. Introduction and Project Description

This Project Information, Description, and Environmental Checklist contained herein constitute the contents of an Initial Study in accordance with Section 15063 of the California Environmental Quality Act (CEQA) Guidelines:

Project Title	Multi-Year State Water Project Table A Water Transfer
Lead Agency Contact and Address	Palmdale Water District 2029 East Avenue Q Palmdale, CA 93550
Project Sponsor's Name and Address	Palmdale Water District Jon Pernula, Water and Energy Resources Mgr. (661) 947-4111 (661) 947-8604 fax
Contact Person and Phone Number	Jon Pernula, Water and Energy Resources Mgr. (661) 947-4111 (661) 947-8604 fax Kamie Loeser, Senior Planner NorthStar Engineering: Environmental Division (530) 343-8327 (530) 893-2113 fax

Project Location

The project area, from which the water for this transfer would be made available, is defined by the Butte County boundaries, which encompasses approximately 1,680 square miles (1,073,000 acres), **Figure 1**. Butte County, a long-term State Water Project (SWP) contractor, receives its SWP Table A water directly from Lake Oroville, the primary storage facility for the SWP. The SWP is a water storage and delivery system of reservoirs, aqueducts, power plants and pumping plants that provides water to 29 long-term SWP contractors throughout California. Lake Oroville is operated to provide flood control, power generation, and water for agricultural, municipal, industrial, recreational, and environmental purposes (DWR, 2007b).

The water from Butte County would be delivered to Palmdale Water District (PWD), located in the Antelope Valley in Los Angeles County, approximately 60 miles north of the City of Los Angeles, 50 miles west of the City of Victorville, and 10 miles south of the City of Lancaster, **Figure 2.** The PWD's primary service area includes central and southern portions of the City of Palmdale and adjacent unincorporated areas of Los Angeles County, **Figure 3.** The Antelope Valley Freeway (State Freeway 14) runs north-south and Pearblossom Highway (State Highway 138) meanders in an east-west direction through the PWD. The entire PWD encompasses an area of approximately 140 square miles overlying more than 30 non-contiguous areas scattered throughout the southern Antelope Valley (PWD, 2011a).

General Plan Designation

Land uses within the Palmdale Water District boundaries that receive SWP water consist of residential, municipal, commercial, industrial, and institutional uses. The transferred water will be used to improve the District's water supply reliability and to help meet its existing and anticipated water demands during the term of the proposed project.

Zoning

Land uses within the Palmdale Water District boundaries that receive SWP consist of residential, municipal, commercial, industrial, and institutional uses. The transferred water will be used to improve the District's water supply reliability and to help meet its existing and anticipated water demands during the term of the proposed project.

Project Description

Project Overview

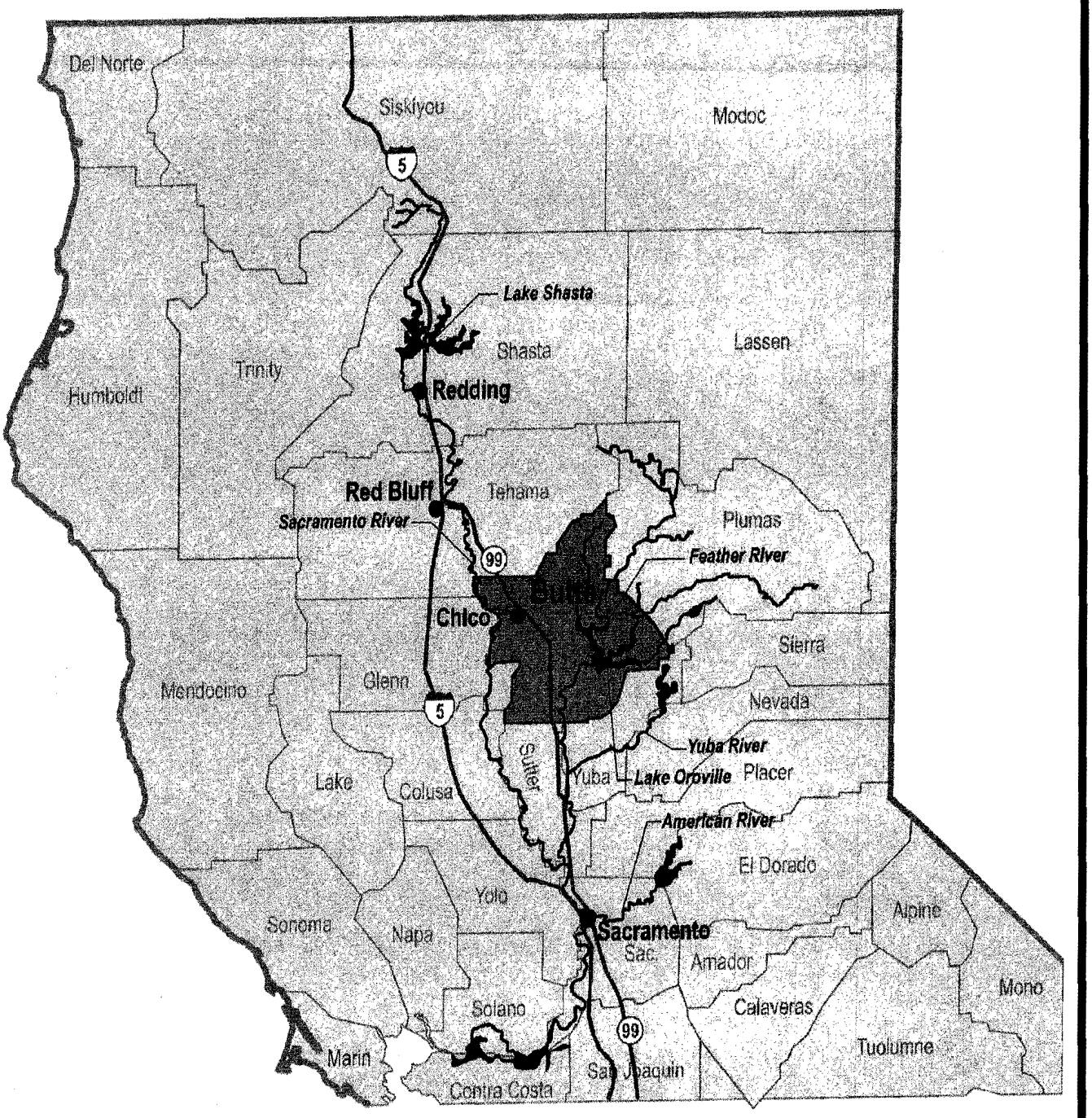
The proposed project is a Multi-Year Table A Water Transfer Agreement between Butte County and the Palmdale Water District (PWD or District). The District is pursuing a multi-year agreement, with an option for multiple additional five-year extensions, to transfer a portion of Butte County's SWP Table A amount. The intent of the agreement is to improve the District's water supply reliability and to help meet its existing and anticipated water demands during the term of the proposed project. The proposed transfer would include the water derived annually from 10,000 acre-feet (AF) of Butte County's Table A amount, and a portion of any additional unused water Butte may have in any particular year.

The leased water will be conveyed through existing SWP infrastructure under current SWP permits and licenses. The transfer of the water requires DWR approval and is subject to CEQA. The water will become part of the SWP delivery schedule between the PWD and DWR. The PWD will make all necessary arrangements with DWR for the conveyance of the water to District's service areas.

Table A Water

The California Water Resources Development Bond Act, also known as the Burns-Porter Act (Water Code Section 12930 *et seq.*) was passed by the California Legislature in 1959 and approved by voters in 1960. The Burns-Porter Act authorized and financed the establishment of the State Water Resources Development System (the SWP) and authorized the State of California to enter into contracts for the sale, delivery, or use of water made available by the SWP in return for payment of the capital and operations costs of the SWP. Subsequently, long-term water supply contracts were executed with water agencies throughout the State. There are currently 29 long-term SWP contractors, which are collectively known as the SWP contractors. Each contract for long-term water supply contains a "Table A" that sets forth the amount in AF that is used to determine the portion of available SWP supply to be delivered to that contractor.

The Department of Water Resources (DWR) administers the long-term water supply contracts to the 29 water agencies for water service from the SWP. Each year, the DWR determines the amount of Table A water that will be available for allocation to the contractors. The allocation are developed from an analysis of a broad range of variables that include annual hydrology, available hydrologic



Butte County - PWD Multi-Year SWP Table A Water Transfer

Figure 1. Butte County Vicinity Map

Map date: May 10, 2012

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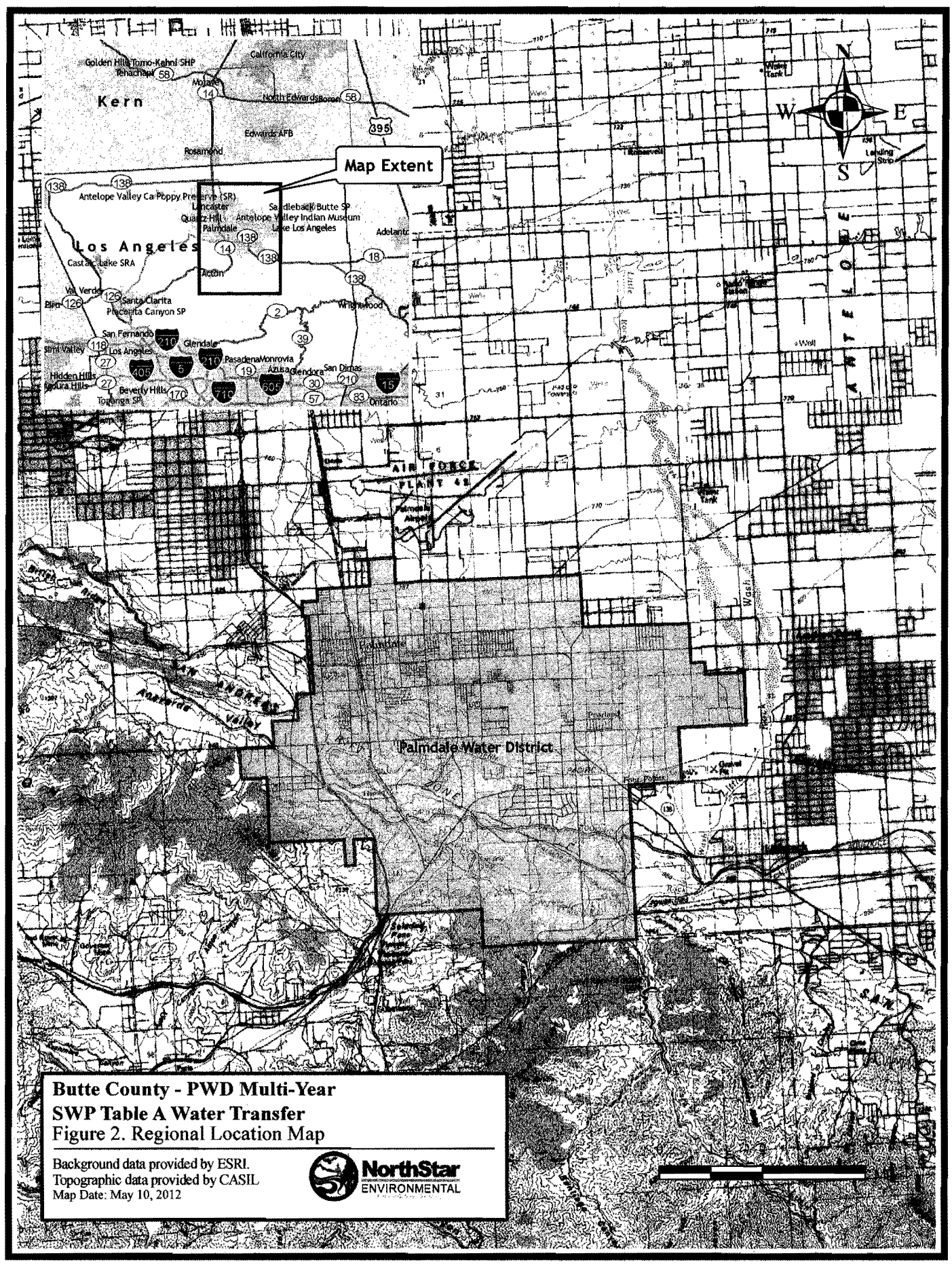

Butte County - PWD Multi-Year SWP Table A Water Transfer

Figure 2. Regional Location Map

Background data provided by ESRI.
Topographic data provided by CASIL
Map Date: May 10, 2012

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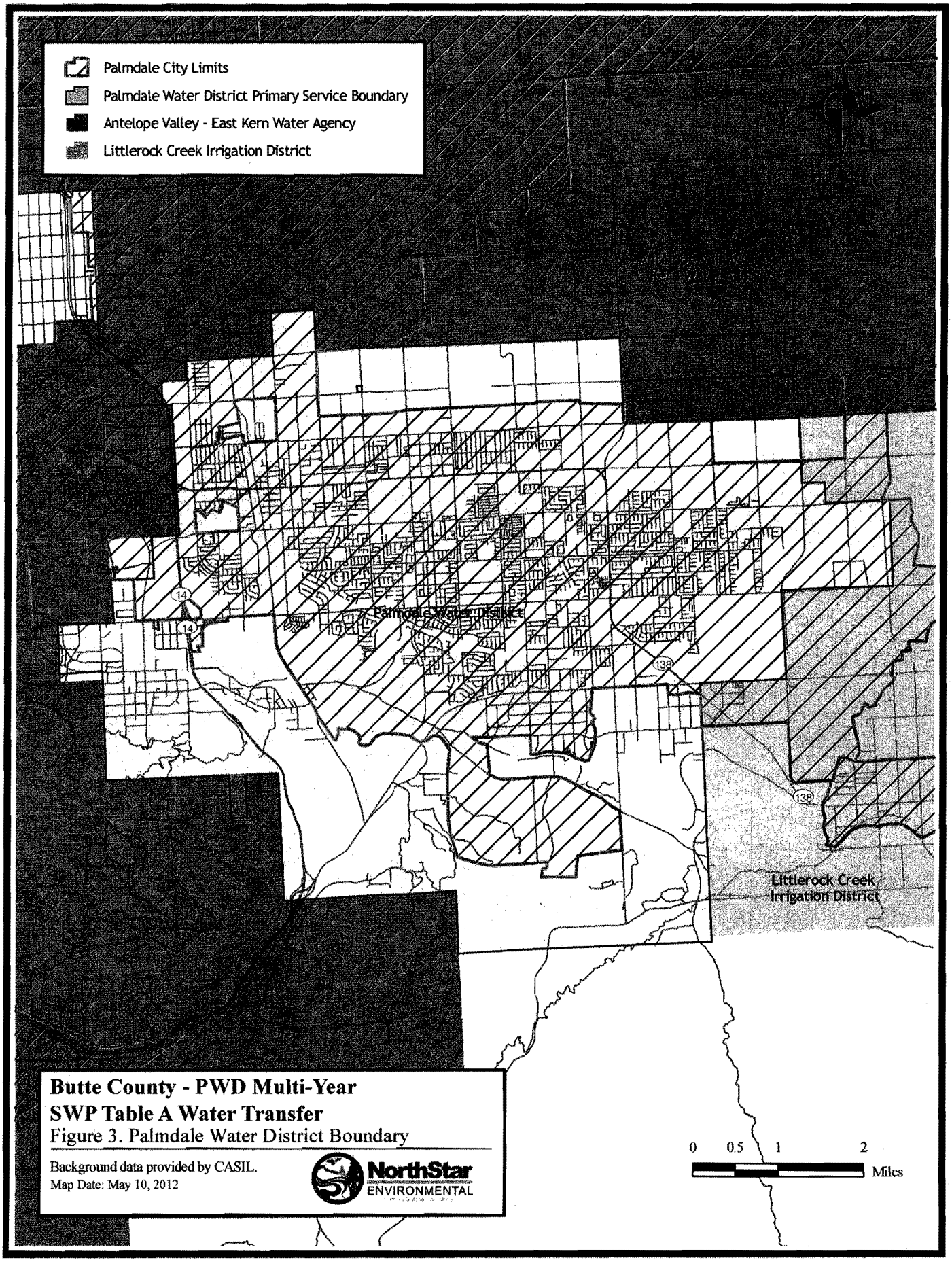

Butte County - PWD Multi-Year SWP Table A Water Transfer

Figure 3. Palmdale Water District Boundary

Background data provided by CASIL.
Map Date: May 10, 2012

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forecast data, initial and target storage in SWP reservoirs, operational constraints[1], Feather River flow requirements, and SWP contractor demands, among others factors. As of April 16, 2012, the DWR allocation of 2012 SWP Table A water is approximately 2,503,354 acre-feet (AF), which equates to 60 percent for long-term SWP contractors (DWR, 2012b). Therefore, based on this allocation, SWP supplies are projected to meet 60 percent of most SWP contractor's 2012 Table A requests.

The *State Water Project Delivery Reliability Report 2011* (2011 Report) is a biannual report that describes the existing and future conditions for the SWP. The term "water delivery reliability" is defined as the annual amount of SWP water that can be expected to be delivered with a certain frequency.

The estimated demand for deliveries of SWP Table A water under future conditions is assumed to be the maximum possible annual amount of 4,133 thousand acre-feet (TAF) per year, with average deliveries at 2,466 TAF/year. The most recent SWP Delivery Reliability Report issued by DWR projects an average annual delivery of 60 percent of SWP Table A amounts to its SWP contractors, given the operational restrictions limiting the Project's ability to divert water from the Delta (DWR, 2012c). The PWD have determined that they need additional water supplies in average years to offset the reduction in reliability from the water supply provided through its SWP contract. The PWD propose to obtain a minimum of 10,000 acre-feet per annum (AFA), depending on availability, of Butte County's SWP Table A amount, which the County has projected to be beyond its current demands. If allocated at an average annual delivery of 60 percent, this amount of Table A will provide 6,000 AF of additional SWP water to the District. The proposed project is a multi-year agreement (a two-year agreement and an eight-year agreement), with options for multiple five-year extensions.

Table A Water Availability

The California Water Resources Development Bond Act, also known as the Burns-Porter Act (Water Code Section 12930 *et seq.*) was passed by the California Legislature in 1959 and approved by voters in 1960. The Burns-Porter Act authorized and financed the establishment of the State Water Resources Development System (the State Water Project, SWP). The SWP is a water storage and delivery system of reservoirs, aqueducts, power plants, and pumping plants that provides water throughout California. As part of the SWP, the State of California was authorized to enter into contracts for the sale, delivery, or use of water made available by the SWP in return for payment of the capital and operations costs of the SWP. Subsequently, long-term water supply contracts were executed with water agencies throughout the State. These contractors are collectively known as the "SWP contractors." There are 29 SWP contractors. Each contract for long-term water supply contains a "Table A" that sets forth the maximum amount in acre-feet (AF) that identifies the amount of SWP water that is to be delivered to that contractor.

DWR administers the long-term water supply contracts to the SWP contractors for water service from the SWP. Each year, DWR determines the amount of Table A water that will be available for

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1 Operational constraints include interim remedial operation restrictions resulting from the United States District Court, Eastern District of the California *Natural Resource Defense Council (NRDC) v. Kempthorne* (05/25/2007, 12/14/2007) that identifies Delta export restrictions to protect Delta smelt, also known as the "Wanger Decision," and the recent decision for *Pacific Coast Federation of Fishermen's Association (PCFFA) v. Gutierrez* (04/16/2008), which will result in an interim salmon protection plan once hearings are scheduled.

allocation to the contractors. The allocations are developed from an analysis of a broad range of variables that include annual hydrology, available hydrologic forecast data, initial and target storage in SWP reservoirs, operational constraints[2], Feather River flow requirements, and SWP contractor demands, among other factors. As of April 16, 2012, the DWR increased its initial allocation of 2012 SWP Table A water for long-term contractors from 2,086,130 AF to 2,503,354 AF; this equates to an increase from 50 percent to 60 percent for long-term SWP contractors (DWR, 2012b). Therefore, based on this allocation, SWP supplies are projected to meet 60 percent of most SWP contractor's 2012 Table A requests.

The *State Water Project Delivery Reliability Report 2011* (SWP Delivery Reliability Report) is a biannual report that describes the existing and future conditions for the SWP. The term "water delivery reliability" is defined as the annual amount of SWP water that can be expected to be delivered with a certain frequency.

The estimated demand for deliveries of SWP Table A water under future conditions is assumed to be the maximum possible annual amount of 4,133 thousand acre-feet (TAF) per year, with average deliveries at 2,466 TAF/year. The 2011 SWP Delivery Reliability Report issued by DWR projects an average annual delivery of 60 percent of SWP Table A amounts to its SWP contractors, given the operational restrictions limiting the SWP's ability to divert water from the Delta (DWR, 2012c).

With an approved allocation of 60 percent in 2012 (DWR, 2012b), 16,500 AF would be available to Butte County. Based on local water supply agreements with Del Oro Water Company and California Water Service Company, whom will receive 60 percent (1,600.58 AF) of their total allocation of 2,667.63 AF (Del-Oro Water Company with a total of 667.63 AF, and California Water Service Company for a 2,000 AF), the County estimates that it will have an unused portion of its Table A water in the amount of 14,899.42 AF. This would allow the PWD to purchase 6,000 AF of Butte County's unused Table A Water in 2012 (60 percent of the requested 10,000 AFA).

No new construction or improvements by Butte County, the PWD or DWR would be necessary for the transfer of this water. Transfer of the water would occur within the regulatory parameters for operations of the SWP, including those contained in D1641 and all applicable restrictions contained in the current Biological Opinions for the protection of Delta smelt and anadromous fishes and marine mammal species, or any subsequent regulatory restrictions imposed on the operation of the SWP.

Butte County's Historic Use of Table A

Butte County, as a long-term SWP contractor, has a contract for 27,500 AF of SWP Table A water. Butte County receives its SWP Table A water directly from Lake Oroville, a primary storage facility for the SWP. Lake Oroville is located in Butte County and is operated to provide flood control, power generation, and water supply for agricultural, municipal, industrial, recreational, and environmental purposes (DWR, 2007b). However, Butte County does not yet need, nor use its full Table A amount. Historically, the County has requested annual deliveries of 300 to 3,500 AF of its Table A amount, which for the last 20 years has been sold to two in-County buyers of the water: Del

2 Operational constraints include, among other things, the requirements contained in State Water Resources Control Board Water Rights Decision 1641 (D1641), the biological opinions issued by the National Marine Fisheries Service and the Fish and Wildlife Service for the protection of Delta smelt and anadromous fish and marine mammal species, as well as other regulatory restrictions imposed on the operation of the SWP.

Oro Water Company and California Water Service Company. Therefore, because Butte County does not use its full allocation, the County and DWR have amended its SWP water supply contract on several occasions to reduce the County's annual Table A amount on a temporary basis.

Beginning in 2008, a reduction of Butte County's Table A amount was not approved by DWR and the County has since been required to pay for their full Table A amount (PWD, 2008). With the exception of a two-year agreement in 2008-2009 with Palmdale Water District (PWD), when a Governor's emergency declaration allowed Butte County to sell a portion of their unused Table A amount directly to PWD, the County's unused water has been cycled through the SWP Turnback Pool Program, and subsequently delivered to various SWP contractors, consistent with the terms of its long-term water supply contract.

Butte County's Table A Water Availability and Transfer

As stated previously, Butte County sells a portion of its SWP Table A allocation to two in-County users, Del-Oro Water Company with a total of 667.63 AF and California Water Service Company for a total of 2,000 AF. Therefore, assuming 100 percent allocation availability, Butte County's unused Table A allocation totals 24,833 AF. With an approved allocation of 60 percent for 2012 (DWR, 2012b), 16,500 AF would be available to Butte County. Subtracting local water supply agreements with Del Oro Water Company and California Water Service Company, the County estimates that it will have 14,899.42 AF of remaining Table A water in 2012.

Therefore, Butte County is entering into multi-year long-term Table A transfer agreements with the PWD (the proposed project evaluated in this document), and the Westside Districts, (for which a separate environmental evaluation is being conducted). No new construction or improvements by Butte County, PWD, or DWR would be necessary for the transfer of this water. Transfer of the water would occur within the regulatory parameters for operations of the SWP, including those contained in D1641 and all applicable restrictions contained in the current Biological Opinions for the protection of Delta smelt and anadromous fishes and marine mammal species, or any subsequent regulatory restrictions imposed on the operation of the SWP.

Project Need and Benefits

Project Need

According to DWR's SWP Delivery Reliability Report 2011, the estimated demand for deliveries of SWP Table A water under future conditions is assumed to be a maximum possible annual amount of 4,133 thousand acre-feet (TAF) per year. However, average deliveries are estimated at 2,466 TAF/year, approximately 60 percent of the maximum possible amount. It should also be noted that maximum deliveries are estimated at 4,063 TAF/year and minimum deliveries at 443 TAF/year. (DWR, 2012c; page 68). At 60 percent of SWP allotted Table A water deliveries, the PWD would receive approximately 12,780 AF, or 38 percent of its current annual demand.

Based on DWR's projections, on average, the PWD needs additional water supplies each year to offset the reduction in reliability from its SWP contract (**Table 1**). The proposed project is to transfer a portion of Butte County's unused SWP Table A amount to the PWD to supplement its water supply to meet existing water supply needs. The amount requested (10,000 AFA) would make up approximately 30 percent of the District's overall demand.

Table 1 provides a summary of the PWD's water supply needs with and without the transfer of Butte County's SWP allocated Table A water.

Table 1
PWD Water Supply and Demand Management Summary (AF)
January 1 to December 31, 2012

Water Supply/Source Summary	Without Butte County Table A Water	With Butte County Table A Water
Projected Average Demand (2012-2021)	33,300	33,300
Water Supplies		
Littlerock Reservoir	2,000	2,000
Groundwater	8,000	8,000
PWD Table A Allocation[1]	12,780	12,780
Existing Supply Total	*22,780*	*22,780*
Potential Additional Water Supplies		
Butte County Table A Allocation	0	6,000[2]
Dry Year and Yuba Accord	0	1,000
Additional Water Supplies	2,000	0
Additional Water Supply Total	*2,000*	*7,000*
Total Available Water Supply	24,780	29,780
Water Supply Surplus/(Deficit):	(8,520)	(3,520)

[1] PWD has a long-term contract with DWR for 21,300 AFA of SWP Table A water. The SWP Delivery Reliability Report 2011 projects an average annual delivery of 60 percent. Additionally, as of April 16, 2012, DWR announced that SWP contractors would receive 60 percent of allotted Table A amounts.
[2] Based on receiving 60 percent of the requested transfer of 10,000 AFA of Butte County's SWP Table A allocation.
Source: PWD 2010 Urban Water Management Plan Update, 2011. PWD Letter of Intent for Long-Term Lease of Table A Water from Butte County, 2011.

Project Benefits

The project is for the temporary transfer of 10,000 AFA of Butte County Table A amount from Butte County to the PWD in Los Angeles County. Although Butte County does not utilize its full annual SWP Table A allocation, it is still required to pay for the water each year. By entering into the multi-year water transfer agreement with the District, the County will be able to recoup the purchase cost of the water. The benefit to the PWD is that they will be able to offset the reduction in reliability from their SWP water supplies provided through their long-term water supply contracts.

Transfer Schedule

The proposed water transfers would occur with normal water supply deliveries. The project includes a two-year agreement and an eight-year agreement, with an option for multiple five-year extensions thereafter. The water derived from Butte County's SWP Table A allocation would be scheduled by the PWD in the same manner that it currently schedules its existing SWP supplies.

Butte County Existing Environmental Setting

The project area, from which the water for this transfer would be made available, is defined by the Butte County boundaries, which encompasses approximately 1,680 square miles (1,073,000 acres) (BCGP 2030), **Figure 1, Location Map.** Butte County's jurisdictional boundaries are defined by the Sacramento River, Butte Creek, and Glenn and Colusa Counties to the west; Tehama County to the

north; Plumas County to the east; and Sutter and Yuba Counties to the south. South Honcut Creek and Wilson Creek are the southeast boundary with Yuba County. The County includes five incorporated communities (Chico, Oroville, Paradise, Gridley, and Biggs) and several small, unincorporated rural communities.

Approximately 45 percent of Butte County lies within the Sacramento Valley and makes up the western portion of the County. This valley area consists of the northeastern Sacramento River Valley floor and associated alluvial fans. The topography in the area is quite gentle and flat, with elevations ranging from 60 to 200 feet above sea level. The level topography contributes to a very open and uniform visual character, which has few distinctive features and is not high in scenic quality. Natural vegetation in the area consists of valley grasslands, valley oak woodland, fresh water marsh, and vernal pools (Butte County, 2010).

The agricultural areas of Butte County consist of high quality soils and a temperate Mediterranean climate (Butte County, 2010). Butte County is located in the Sacramento Valley, a vast, flat floodplain that is particularly amenable to farming. Within the County, agriculture is the largest land use, with parcels of farmland spanning from east of the Sacramento River to the foothills of the Southern Cascade and Sierra Nevada mountain ranges. The majority of Butte County farmland is aggregated in the northwest, in the central county and in the southwest, away from the incorporated cities. Near the urban areas of Chico and Oroville, and the growing city centers of Gridley and Biggs, agricultural parcels have become subdivided and discontinuous, scattered throughout the area. The largest, continuous parcels of agricultural land are located where the environmental conditions are most favorable for farming.

Palmdale Water District Environmental Setting

The proposed project will supplement existing water supplies for the PWD, which is located in the Antelope Valley in Los Angeles County (**Figure 2**). The water will be supplied to water users within the District's service area, which encompasses approximately 140 square miles (PWD, 2011a). The lands in the area presently served by the District slope gently upward to the foot of the northeast-facing slopes of the San Gabriel Mountains. Elevations range from approximately 2,600 feet to 3,800 feet above sea level.

The climate of the project delivery area is characterized by wide temperature fluctuations, hot summers, cold winters, strong winds, low humidity and scant rainfall. Temperatures in the summer months vary between an average low of 71 degrees Fahrenheit (F) and an average high of 95 degrees F. Winter months have temperature that vary between 30 and 58 degrees F. Precipitation occurs primarily during the winter and spring months, and averages approximately 6.7 inches in the northern portion of the District and 12 inches in the southerly San Gabriel Mountain area. (PWD, 2011a)

The Antelope Valley Groundwater Basin is made up of a series of subbasins. The District overlies the Lancaster, Buttes, and Pearland groundwater subbasins. Approximately 75 percent of the District's annual groundwater production comes from the Lancaster subbasin which supplies approximately 30 percent of the District's total water demand. The District extracts approximately 20 percent of its groundwater production from the Pearland subbasin. PWD does not extract any groundwater from the Buttes subbasin. The remaining groundwater production occurs within the San Andreas Rift Zone, which has two general groundwater-bearing areas. Groundwater supplies accounted for 33 to 41 percent of the District's water supplies between 2006 and 2010. The District anticipates that groundwater production in the Antelope Valley Groundwater Basin will increase

and remain at a constant 12,000 AFA by 2015. Given the District's efforts to diversify its water supply portfolio in the next several years, groundwater levels are expected to be managed. (PWD, 2011a.)

The Palmdale Water District receives water from three sources: Littlerock Creek Dam and Reservoir, the SWP, and groundwater. The District's local surface water supply is from Littlerock Dam Reservoir, which is transferred to Lake Palmdale for treatment and redistribution. Imported SWP water is conveyed directly to Lake Palmdale, which has a storage area of 4,250 AF. The District needs 100 percent of its SWP Table A contract of 21,300 AF of water to meet its existing service area's water demand (assuming water from Littlerock Reservoir and groundwater sources is also used). With a SWP Table A allocation of 60 percent (12,780 AF), PWD needs 8,520 AF of supplemental water to meet its water supply needs. In 2008 and 2009, PWD received Table A transfer water from Butte County in the amount of 8,750 each year.

Other Project Considerations

Turn-Back Water Pool Program

The existing long-term contract provides that the 29 contractors may sell any unused Table A allocation to other SWP contractors only through the "Turnback Water Pool" (pursuant to Article 56 of the Water Supply Contracts). The Turnback Water Pool allows SWP contractors with unused allocated Table A water to turn their unneeded water back into a pool each year for purchase by other SWP contractors. To participate, on an annual basis, selling contractors sign offers of commitment as to how much water they want to sell and buying contractors commit to how much water they want to purchase. The sales and purchases of the Turnback Water Pool do not affect the annual allocation of Table A amounts to any SWP contractor. With the exception of the selling water to the two in-County buyers, Del Oro Water Company and California Water Service, and the 2008-2009 Emergency Table A water transfer to Palmdale Water District, Butte County has historically participated as a seller in the Turnback Pool. The Turnback Pool provides for annual sale of unused SWP Table A allocation only, and is separate from any other water sale or purchase program that DWR administers. (Source: DWR Bulletin 132. http://www.water.ca.gov/swpao/bulletin.cfm. Appendix B – Data and Computations Used to Determine 2011 Water Charges; http://www.water.ca.gov/swpao/docs/bulletin/10/Appendix_B.pdf).

The proposed transfer between Butte County and the Palmdale Water District would be conducted outside the Turnback Water Pool as discussed in the Water Supply Contract between Butte County and DWR. This transfer would be a direct, bi-lateral agreement between both Butte County and DRWD and Butte County and KCWA, consistent with the terms provided in the Agreement in Principle between Butte County and DWR in response to the proposed settlement of litigation in Sacramento Superior Court Case Number 34-2008-00016338 CU-BC-GDS, Solano County Water Agency, et al. v State of California Department of Water Resources et al., commonly referred to as Area of Origin litigation.

Other Public Agencies Whose Approval is Required

- California Department of Water Resources (DWR): DWR is responsible for the management of SWP Table A water, and is a responsible agency in the CEQA process.

Regulatory Guidance

This document is an initial study, which provides the justification for a Negative Declaration pursuant to the California Environmental Quality Act (CEQA). This Negative Declaration has been prepared in accordance with the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et seq., and the State CEQA Guidelines 14 California Code Regulations Section 15000 et seq.

An initial study is conducted by a lead agency to determine if a project may have a significant effect on the environment. In accordance with the CEQA Guidelines Section 15063, an EIR must be prepared if an initial study indicates that the proposed project under review may have a potentially significant impact on the environment. A Negative Declaration may be prepared instead, if the lead agency prepares a written statement describing the reasons why the proposed project would not have a significant effect on the environment, and therefore, why it does not require the preparation of an EIR (CEQA Guidelines Section 15371). According to CEQA Guidelines Section 15070, a Negative Declaration shall be prepared for a project subject to CEQA when either:

a) *The initial study shows there is no substantial evidence, in light of the whole record before the agency, that the proposed project may have a significant effect on the environment, or*
b) *The initial study identifies potentially significant effects, but:*
   (1) Revisions in the project plans or proposals made by or agreed to by the applicant before the proposed negative declaration is released for public review would avoid the effects or mitigate the effects to a point where clearly no significant effects would occur and;
   (2) There is no substantial evidence, in light of the whole record before the agency, that the proposed project as revised may have a significant effect on the environment.

If revisions are adopted in the proposed project in accordance with the CEQA Guidelines Section 15070(b), a mitigated negative declaration is prepared.

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2. Determination

Environmental Factors Potentially Affected

The environmental factors checked below could be potentially affected by this project; however, with the incorporation of mitigation measures,* potentially significant impacts are reduced to less than significant level by the project" (CEQA Guidelines Section 15382).

☐ Aesthetics	☐ Agricultural/Forestry Resources	☐ Air Quality
☐ Biological Resources	☐ Cultural Resources	☐ Geology/Soils
☐ Greenhouse Gas Emissions	☐ Hazards/Hazardous Materials	☐ Hydrology/Water Quality
☐ Land Use/Planning	☐ Mineral Resources	☐ Noise
☐ Population & Housing	☐ Public Services	☐ Recreation
☐ Transportation/Traffic	☐ Utilities/Service Systems	☐ Mandatory Findings of Significance

Determination:

On the basis of this initial evaluation:

☒ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.

☐ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

☐ I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Kamie Loeser — Signature

5-22-12 — Date

Kamie Loeser — Printed Name

Palmdale Water District — For

Evaluation of Environmental Impacts:

1) A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards, (e.g., the project will not expose sensitive receptors to pollutants based on a project-specific screening analysis.)

2) All answers must take account of the whole action involved including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.

3) Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.

4) "Negative Declaration: Less Than Significant With Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less Than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section XVII, "Earlier Analyses," may be cross-referenced).

5) Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063 ©(3)(D). In this case, a brief discussion should identify the following:

   a) Earlier Analysis Used: Identify and state where they are available for review.
   b) Impacts Adequately Addressed: Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
   c) Mitigation Measures: For effects that are "Less Than Significant with Mitigation Measures Incorporated," describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.

6) Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.

7) Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.

8) The explanation of each issue should identify:

   a) The significance criteria or threshold, if any, used to evaluate each question; and

   b) The mitigation measure identified, if any, to reduce the impact to less than significant.

3.0 Environmental Checklist

1. Aesthetics

Would the project:	Potentially Significant	Less Than Significant with Mitigation	Less Than Significant	No Impact
a) Have a substantial adverse effect on a scenic vista?				X
b) Substantially damage scenic resources within a state scenic highway?				X
c) Substantially degrade the existing visual character or quality of the site/surroundings?				X
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?				X

Setting

The western portion of Butte County is located in the northeastern Sacramento River Valley. This valley area, which constitutes about 45 percent of the total county area, consists of the Sacramento River Valley floor and associated alluvial fans. The topography is gentle and flat, with elevations ranging from 60 to 200 feet above sea level. The level topography contributes to an open and uniform visual character, with natural waterways and canals, and associated levees, providing the most dominant landscape features. Natural vegetation in the area consists of valley grasslands, valley oak woodlands, fresh water marshes, and vernal pools. Within the valley area, the most prominent human-made features are scattered rural residential units and agricultural-industrial facilities such as processing plants, as well as the urban and suburban landscapes surrounding Chico, Gridley, Biggs, and Oroville. Many other small farming and ranching towns exist within the valley floor, and typically include a small town center surrounded by suburban and rural residential development (Butte County, 2010). Butte County consists primarily of agricultural lands.

The PWD consists primarily of developed lands, including the southern and central portions of the City of Palmdale and adjacent unincorporated areas of Los Angeles County. The lands in the area presently served by the District slope generally upward to the foot of the northeast-facing San Gabriel Mountains. Elevations range from approximately 2,600 feet to 3,800 feet above mean sea level (PWD, 2011a). PWD provides primarily municipal and industrial water supply.

Discussion

a–d) No Impact: As there would be no construction activities with project implementation, no potential aesthetic resources would be impacted or altered. Currently, because Butte County does not use its full Table A allocation, unused Butte County Table A water have historically been sold through the Turnback Pool and conveyed through the SWP system for delivery to other SWP water contractors under the baseline condition. The amount of water that would be transferred to the PWD does not differ from the existing practice of selling water through the Turnback Pool. All SWP reservoir elevations, river flows and other facility conditions would remain the same. Therefore,

there are no impacts to scenic resources, there would be no change to the existing visual character of the region, and the project would not create new light sources.

Mitigation

None Required.

2. Agricultural and Forestry Resources

Would the project:	Potentially Significant	Less Than Significant with Mitigation	Less Than Significant	No Impact
a) Convert Farmland (Prime, Unique or of Statewide Importance) pursuant to the Farmland Mapping and Monitoring Program of the CA Resources Agency, to non-agricultural use?				X
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?				X
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 1220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?				X
d) Result in the loss of forest land or conversion of forest land to non-forest use?				X
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?				X

Setting

Butte County is located in the vast floodplain of the Sacramento River, an area that is particularly amenable to farming. The floodplains provide fertile, alluvial sediments with abundant nutrients. The majority of Butte County's farmland is located in the area between the eastern bank of the Sacramento River and the foothills of the Southern Cascade and Sierra Nevada mountain ranges. Over 60 percent of Butte County is classified under one of the following agricultural categories: Prime Farmland, Farmland of Statewide Importance, Unique Farmland, or Grazing Land. The majority of agricultural land in the county is Grazing Land, which occurs primarily in the mountain and foothill regions. Prime Farmland is located on the alluvial plain of the Sacramento River in the western portion of the county. Small areas classified as Farmland of Statewide Importance and Unique Farmland exist in the central, northwest, and southwest portions of the county. Areas used for agriculture are located throughout the western half of Butte County. Agricultural activities, particularly row crops and rice fields occur in mostly flat areas west of Highway 99, with grazing activities located east of Highway 99 extending into the foothills of the Sierra Nevada Mountains. Small olive groves occur on hillsides, and citrus orchards occur in the lower elevations. Olives and

oranges have been grown commercially in the foothills for more than 100 years. Butte County contracts with agricultural districts for water supply.

The eastern half of Butte County includes the foothills transitioning into the Sierra Nevada Mountains. This half of the County is predominantly timber forestland.

The entire PWD encompasses an area of approximately 140 square miles overlying more than 30 non-contiguous areas scattered throughout the southern Antelope Valley (PWD, 2011a). The District's existing water service area is located almost entirely within the City limits of the City of Palmdale, and extends on its southern and eastern boundaries into the unincorporated areas of Los Angeles County that are within the City's sphere of influence. The District is bordered to the south and west by the San Gabriel Mountain Range, the north by the City of Lancaster, and the east by the unincorporated community of Little Rock. The County of San Bernardino is located immediately to the east (PWD, 2011c).

Discussion

a–e) No Impact: The project is a multi-year water transfer agreement, with an option for multiple five-year extensions, that will transfer an unused portion of Butte County's unused SWP Table A water allocation. Currently, Butte County does not deliver or transfer its water to any farmland in Butte County, and does not anticipate that this will change during the term of the agreement. The duration of the transfer does not irretrievably commit this resource; it may be used in Butte County in the future if demand is developed in Butte County's service area. Conversely, the water source does not constitute a reliable long-term supply that would justify expanding uses within the PWD.

Mitigation

None Required.

3. Air Quality

Would the project:	Potentially Significant	Less Than Significant with Mitigation	Less Than Significant	No Impact
a) Conflict with or obstruct implementation of the applicable air quality plan?				X
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?				X
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including emissions that exceed quantitative thresholds for ozone precursors)?				X
d) Expose sensitive receptors to substantial pollutant concentrations?				X
e) Create objectionable odors affecting a substantial number of people?				X

Setting

Butte County is located in the Northern Sacramento Valley Air Basin (NSVAB), which includes the counties of Butte, Colusa, Glenn, Shasta, Sutter, Tehama, and Yuba. The NSVAB is bounded on the north by the Cascade Range, on the south by the Greater Sacramento Air Region and San Joaquin Valley Air Basin, on the east by the Sierra Nevada Mountains, and on the west by the Coast Range. The California Air Resources Board (CARB) has classified Butte County as a moderate nonattainment area for the 1-hour O_3 standard and as a nonattainment area for the 8-hour O_3 standard. For the CO standard, CARB has classified Butte County as an attainment area. Further, Butte County has been classified as a nonattainment area for the PM_{10} and $PM_{2.5}$ standards (Butte County, 2010).

The proposed project is located in the western portion of the Mojave Desert Air Basin (MDAB.) The Antelope Valley Air Quality Management District (AVAQMD) is the local air district with jurisdiction over air pollution sources in the City of Palmdale. The MDAB is an assemblage of mountain ranges interspersed with long broad valleys that often contain dry lakes. Many of the lower mountains, which dot the vast terrain, rise from 1,000 to 4,000 feet above the valley floor. Prevailing winds in the MDAB are out of the west and southwest. These prevailing winds are due to the proximity of the MDAB to coastal and central regions and the blocking nature of the Sierra Nevada Mountains to the north; air masses pushed onshore in Southern California by differential heating are channeled through the MDAB. The MDAB is separated from the southern California coastal and central California Valley regions by mountains (highest elevation approximately 10,000 feet), whose passes form the main channels for these air masses. Antelope Valley is bordered on the northwest by the Tehachapi Mountains, separated from the Sierra Nevada Mountains to the north by the Tehachapi Pass (3,800-foot elevation). The Antelope Valley is bordered to the south by the San Gabriel Mountains, bisected by Soledad Canyon (3,300-foot elevation) (PWD, 2011c).

The California Air Resources Board (CARB) has classified the Palmdale area as a nonattainment area for the 1-hour O_3 standard and as an extreme nonattainment area for the 8-hour O_3 standard. For the CO standard, the area has been classified as an attainment area. Further, the Palmdale area has been classified as a nonattainment area for the PM_{10} standards – $PM_{2.5}$ standards are currently unclassified (PWD, 2011c).

Discussion

a–e) No Impact: Transfer of the water would not conflict with the implementation of any air quality attainment plans in Butte County, or the Antelope Valley/Los Angeles County (where the PWD is located). As there would be no construction activities with project implementation and the transfer of water uses the existing SWP system, the project would not violate or contribute to a violation of any air quality standard. The project would make use of existing SWP infrastructure for conveyance of the water, and would help the PWD meet anticipated water demands for existing customers. Therefore, it would not result in a cumulatively considerable net increase of any criteria pollutants, nor would it expose any sensitive receptors to pollutants or create objectionable odors.

Mitigation

None Required.

4. Biological Resources

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?				X
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?				X
c) Have a substantial adverse effect on protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				X
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				X
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				X
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				X

Setting

Butte County has a high diversity of biological communities because it extends from the Sacramento Valley floor to the Sierra Nevada and Cascade Mountains over an elevation range from approximately 50 feet to more than 8,000 feet above sea level. Most of the biological communities in the Sacramento Valley portion of the County have been substantially altered since the mid-1800s, when the area was first hydraulically mined, then dredged for gold, and then developed for agriculture. Much of the Sacramento Valley subregion supports agricultural land, annual grassland, and wetlands. Agricultural lands are established on fertile soils that historically supported abundant wildlife. The quality of habitat for wildlife is greatly diminished when the land is

converted to agricultural uses and intensively managed. However, depending on the crop pattern and proximity to native habitats, row crops and rice fields can provide relatively high-value habitat for wildlife, particularly as foraging habitat. Raptor species use row- and grain-crop agricultural lands for foraging because several species of common rodents are found in agricultural fields. Rice fields and fallow agricultural fields provide important foraging and resting habitat for migrating and wintering waterfowl and shorebirds (Butte County, 2010).

The project area is located in the vicinity of Palmdale at the base of the San Gabriel Mountains and immediately west of Littlerock Creek. Land uses in the project area include developed (e.g., residential, commercial, industrial, institutional), agricultural and open spaces containing native habitats. High-quality habitats are present where native habitat types are relatively undisturbed and have connectivity to other open space areas. Native habitat types within the proposed project area generally include Mojave desert scrub, creosote bush scrub, Joshua tree woodland, rabbitbrush scrub, saltbush scrub, and desert wash. Non-native and disturbed habitats generally provide low-quality wildlife habitat; however, agricultural areas can provide habitat for certain wildlife species such as burrowing owls and other raptor species. The majority of the project area occurs within developed and disturbed regions that do not offer high quality native habitat (PWD, 2011c).

Discussion

a) No Impact: The Sacramento-San Joaquin Delta (Delta) provides a migration corridor, spawning, and rearing habitat for several aquatic species. **Table 3** identifies Delta fish that are listed as threatened or endangered.

Table 2
Threatened and Endangered Delta Fish Species

Fish Species	Status
Winter-run Chinook salmon (*Oncorhynchus tshawytscha*)	State: Endangered
Sacramento River winter-run Chinook salmon (*Oncorhynchus tshawytscha*)	Federal: Endangered
Spring-run Chinook salmon (*Oncorhynchus tshawytscha*)	State: Threatened
Central Valley Spring-run Chinook salmon (*Oncorhynchus tshawytscha*)	Federal: Threatened
Delta smelt (*Hypomesus tranpacificus*)	State: Endangered Federal: Threatened
Steelhead – Central Valley DPS (*Oncorhynchus mykiss*)	Federal: Threatened
Green sturgeon – southern DPS (*Acipenser medirostris*)	Federal: Threatened
Longfin smelt (*Spirinchus thaleichthys*)	State: Threatened
Southern Resident killer whales (*Orcinus orca*)	Federal: Endangered
Source: California Department of Fish and Game, *State and Federally Listed Endangered and Threatened Animals of California*, January 2011. http://www.dfg.ca.gov/biogeodata/cnddb/pdfs/TEAnimals.pdf.	

The Delta is a migration corridor and seasonal rearing habitat for winter-run and spring-run Chinook salmon and steelhead. It provides spawning and nursery habitat for Delta smelt and Delta longfin smelt. SWP water from Northern California is conveyed and delivered to SWP water contractors via the Sacramento-San Joaquin Delta (Delta). The transfer of Butte County's unused Table A amount will be conveyed to the PWD in conformance with the requirements contained in D1641 and all applicable restrictions contained in the current Biological Opinions for the protection of Delta smelt and anadromous fishes and marine mammal species, or any subsequent regulatory restrictions imposed on the operation of the SWP. The proposed project would not result in an increase in the amount of SWP water transported through or diverted from the Delta. The proposed

transfer of allocated Table A water would not affect the conditions under which the SWP is operated. As such, there would be no impact from the proposed project on listed fish species in the Sacramento-San Joaquin Delta and associated river systems.

b–c) No Impact: The transfer of a portion of Butte County's unused SWP Table A amount to the PWD would have no effect on riparian or other sensitive habits, including wetlands. The proposed transfer will not alter the overall operations of the SWP and will not affect the water stored in or released from Lake Oroville. Lake Oroville elevations would remain the same. The only change in operations will be the ultimate delivery to the PWD. All SWP storage, conveyance and delivery facilities, including Lake Oroville, would be operated subject to the current operational constraints and all SWP water deliveries thereto would continue.

d) No Impact: The transfer of a portion of Butte County's unused SWP Table A amount to the PWD (an SWP long-term water contractor) would have no effect on the movement of any native resident or migratory fish species. The proposed transfers will not affect the total quantity of water allocated to the SWP contractors or the quantities that are transported through or diverted from the Delta. All SWP water is appropriated and delivered in conformance with DWR's existing water rights licenses, in conformance with the requirements contained in D1641, and all applicable restrictions contained in the current Biological Opinions for the protection of Delta smelt and anadromous fishes and marine mammal species, or any subsequent regulatory restrictions imposed on the operation of the SWP.

e–f) No Impact: The proposed project would not conflict with any local, regional, or state policy, ordinance or conservation plan in effect for the area. Hence, no impact to adopted habitat conservation plans would occur with project implementation.

Mitigation

None Required.

5. Cultural Resources

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Cause a substantial adverse change in the significance of a historical resource as defined in California Code of Regulations, Section 15064.5?				X
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to CA Code of Regulations, §15064.5?				X
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				X
d) Disturb any human remains, including those interred outside of formal cemeteries?				X

Setting

The overall prehistoric archaeological sensitivity of Butte County is generally considered high, particularly in areas near water sources or on terraces along watercourses. In particular, the Sacramento River and Feather River watersheds within the Sierra Nevada foothills possess river terraces that are rich in archaeological resources. In the area of Oroville where the Forks of the Feather River converge, the archaeological site density is one of the highest in California. The overall historic archaeological sensitivity of Butte County area is generally considered moderately high, especially in those areas where historic records indicate transportation routes, agricultural settlements, and mining (Butte County, 2010).

By the Late Prehistoric Period, an extensive network of established trade routes wound their way through the desert, routing goods to populations throughout the Mojave region. Trade routes have been postulated as running along the foothills on the southern border of the Antelope Valley and along the Mojave River. The Antelope Valley sat at a convenient geographical location for controlling trade, between the Great Basin and the southern coastal region. It is also believed that these trade routes encouraged or were the motivating factors for the development of more "increasingly complex socioeconomic and sociopolitical organizations" among Protohistoric peoples in southern California. Beginning around A.D. 1300, however, a decline in trade occurred and well-established village sites were abandoned. Few sites in the Antelope Valley were occupied after 1650 AD. (PWD, 2011c).

The proposed project is limited to the multi-year transfer of 10,000 AFA of SWP Table A allocation from Butte County to the PWD to offset the reduction in reliability of SWP deliveries to the District.

Discussion

a-d) No Impact: The proposed project does not involve a change in water surface elevation in Lake Oroville or any land alteration and thus no archeological or paleontological disturbances are possible within the proposed project's scope. In addition, with no construction activities proposed, there would be no disturbances to potential burial sites or cemeteries. The California Department of Parks and Recreation (State Parks) has jurisdiction over the water surface of Lake Oroville as well as most of the shoreline areas, which are managed as the Lake Oroville State Recreation Area (LOSRA). There are archeological sites (including Native American sites) within Lake Oroville. Because the lake levels can vary widely during periods of dry years, State Parks rangers and Maidu volunteers, trained by a State Parks archaeologist, are available to monitor the sites and enforce the laws that protect sensitive archaeological sites if needed. The proposed project does not lower the Lake beyond the baseline condition.

Mitigation

None Required.

6. Geology and Soils

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i.) Rupture of a known earthquake fault, as delineated on the Alquist-Priolo Earthquake Fault Zoning Map for the area or based on other substantial evidence of a known fault?				X
ii.) Strong seismic ground shaking?				X
iii.) Seismic-related ground failure/liquefaction?				X
iv.) Landslides?				X
b) Substantial soil erosion or the loss of topsoil?				X
c) Located on a geologic unit or soil that is unstable, or would become unstable as a result of the project, and potentially result in landslide, lateral spreading, subsidence, liquefaction or collapse?				X
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?				X
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?				X

Setting

Butte County is made up of three distinct geologic areas: the valley region, the foothill region, and the mountain region. The valley region covers approximately 45 percent of the county's land area and consists predominantly of marine sedimentary rocks and continentally derived sediments underlain by granitic and metamorphic bedrock. The foothill region, which transitions from the valley to the mountain ranges, comprises the area between elevations 200 and 4,100 feet above mean sea level. The geology of the foothill region is characterized by Tertiary sediments in the north and west, and older Mesozoic-Paleozoic rocks in the east and the south.

The only fault in Butte County considered active and subject to the Alquist-Priolo Earthquake Fault Zoning Act of 1975 (A-P EFZ) is the Cleveland Hills fault, which is shown on the Bangor 7.5 Minute Quadrangle Earthquake Fault Zones Map (1977). The fault runs in a nearly north-south orientation directly south of Lake Oroville and approximately four miles east-southeast of Oroville. This fault last ruptured in 1975. Some geologists consider the Big Bend fault zone to be potentially active, but it is not subject to the requirements of the Alquist-Priolo Earthquake Fault Zoning Act (Butte County, 2010).

The area of the Palmdale Water District (PWD) lies within the Antelope Valley, which is situated along the boundary between two major geomorphic provinces: the Transverse Ranges and the Mojave Desert. The Transverse Ranges province is characterized by east-west oriented mountain ranges including the Tehachapi Mountains to the north, and the San Gabriel, Sierra Pelona and

Liebre Mountains to the southwest. The Mojave Desert province is characterized primarily by a broad interior region of isolated mountain ranges separated by expanses of desert plains. The Mojave Desert province is wedged between the Garlock Fault and the San Andreas Fault, which have uplifted the surrounding mountains relatively rapidly, isolating the Mojave Desert from the Pacific Coast and creating the interior drainage basins of the western Mojave Desert, such as the Antelope Valley. The west end of the Antelope Valley is defined by the Tehachapi and San Gabriel Mountains, forming the v-shaped basin of the western Mojave Desert (PWD, 2011c).

Discussion

a-d) No Impact: The proposed project does not involve the construction of new or the expansion of existing facilities. The transfer of 10,000 AF Butte County SWP Table A amount to the PWD would use the existing SWP storage and delivery system. Once the water has been transferred to PWD, the District would use existing water delivery systems to convey water to users. Therefore, implementation of the project would no change or increase the exposure of people or structures to potential risk of loss, injury, or death involving rupture of a known earthquake fault, strong seismic ground shaking, ground failure, liquefaction, subsidence, lateral spreading or landslides. No impact associated with geology and soils would occur with project implementation.

e) No Impact: The proposed project would not involve the use of septic tanks or alternative wastewater treatment disposal systems to handle wastewater generation. No impacts would result with the implementation of the project.

Mitigation

None Required.

7. Greenhouse Gas Emissions

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Generate greenhouse gas emissions, directly or indirectly, that may have a significant impact on the environment?				X
b) Conflict with any applicable plan, policy or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases?				X

Setting

The Global Warming Solutions Act of 2006, otherwise referred to as Assembly Bill 32 (AB32), requires the California Air Resource Board (CARB) to establish a statewide greenhouse gas (GHG) emission cap for 2020 based on 1990 emission levels, and to adopt mandatory reporting rules for significant sources of GHGs. AB32 also requires major producers of greenhouse gas emissions to reduce emission to 1990 levels by 2020, which is basically a 30 percent reduction from estimated 2020 levels in the absence of reduction efforts. The proposed project would generate GHG emissions during water conveyance, but not to levels that would conflict with AB32 or other

initiatives to reduce GHG emissions. Further, the water will be conveyed as part of the SWP's existing operations.

Discussion

a–b) No Impact: The proposed project is limited to the multi-year transfer of 10,000 AF of Butte County's SWP Table A amount to the PWD for benefit of the District. The project would use existing infrastructure for the delivery of SWP Table A water. If Butte County did not enter into multi-year agreements with PWD for the transfer of the County's unused Table A amount, the County would sell this water in the Turnback Pool. This water would be conveyed to buyers in the same manner that they currently schedule and receive their existing SWP supplies. Thus, an increase in greenhouse gas emissions is not anticipated. The SWP is currently a participant in a coal-fired power plant facility located in Nevada (Reid Gardner), and the DWR has elected to terminate participation in this facility effective July 2013. This action would allow the SWP to meet the 2020 greenhouse gas emission targets. Therefore, the transfer of Butte County's unused Table A allocation would not generate additional greenhouse gas emissions, nor conflict with any applicable plan, policy, or regulation adopted for the purpose of reducing greenhouse gas emissions.

Mitigation

None Required.

8. Hazards and Hazardous Materials

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?				X
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?				X
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?				X
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?				X

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?				X
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?				X
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				X
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?				X

Setting

Hazards and hazardous materials address health and safety issues related to the project. Health and safety issues apply to construction workers and members of the public who would be exposed to hazardous materials and physical conditions associated with the presence of construction equipment and excavations in an area of sensitive land uses. As described in the Project Description and other sections of this Initial Study Environmental Checklist, the water transfer project will utilize existing infrastructure and will not require any construction activities.

Discussion

a–h) No Impact: The proposed project would not involve the transport or use of hazardous materials nor change or increase any public exposure to hazards or hazardous materials. There would be no hazardous impacts with project implementation.

Mitigation

None Required.

9. Hydrology and Water Quality

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Violate any water quality standards or waste discharge requirements?				X

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?				X
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?				X
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?				X
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?				X
f) Otherwise degrade water quality?				X
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?				X
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?				X
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?				X
j) Inundation by seiche, tsunami, or mudflow?				X

Setting

The proposed project is limited to the multi-year transfer of 10,000 AFA of SWP Table A amount from Butte County to the PWD. The project involves the transfer of SWP allocated Table A water via

existing SWP infrastructure and consistent with all existing or future operational restrictions – no new construction will occur with this project.

Discussion

a) No Impact: The proposed project does not involve any discharges and thus would not violate water quality standards or waste discharge requirements. All SWP water is appropriated and delivered in conformance with DWR's existing water rights licenses and in conformance with the requirements contained in D1641 and all applicable restrictions contained in the current Biological Opinions for the protection of Delta smelt and anadromous fishes and marine mammal species, or any subsequent regulatory restrictions imposed on the operation of the SWP. No impacts to water quality standards would occur with project implementation.

b) No Impact: Butte County's Table A water delivered by the SWP originates from rainfall and snowmelt runoff. The proposed project would not extract groundwater nor deplete groundwater supplies. Since Butte County does not use the balance of the SWP allocated Table A water within the County, there is no loss to in-lieu recharge. Also, there will be no groundwater pumping to make up for the foregone surface supplies. The transfer of Butte County's Table A allocation would not interfere with groundwater recharge resulting in a net deficit in aquifer volume or lowering of the local groundwater table level.

To meet water demands and water supply goals, PWD uses 40 percent groundwater. The District has pumping capability to extract more groundwater to meet demand; however, the local groundwater basins are in overdraft, although the basin is not adjudicated (PWD, 2011a). By transferring and using a portion of Butte County's SWP Table A water to meet existing water demand, the PWD would not need to increase its groundwater extraction (**Table 1**). Currently, PWD anticipates pumping 8,000 AFA groundwater, with or without Butte County's Table A water. However, PWD anticipated that if they are unable to purchase Butte County's Table A water, an additional 2,000 AF would need to be extracted from the Antelope Valley groundwater basin. Therefore, the transfer of Butte County's unused SWP Table A amounts would reduce the amount of groundwater that would need to be pumped from the Antelope Valley groundwater basin and would result in a beneficial impact to groundwater resources in the Antelope Valley.

c–d) No Impact: The transfer of Butte County's unused SWP Table A amount would be accomplished within existing conveyance and storage systems of the SWP. No drainage courses would receive transferred water from the proposed project; therefore, the project would not affect or alter existing drainage patterns, including the alteration of the course of a stream or river. No substantial erosion, siltation, or flooding on- or off-site would occur. The project will not result in the expansion of service areas; rather it will allow surface water obtained via the SWP to be used for existing demand instead of depending on increased groundwater use. The intent of the project is to decrease the amount of groundwater pumping required by the PWD to meet existing demands. The transfer of Butte County's unused Table A amount to the District represents approximately 30 percent of its overall demand. In addition, there are no construction activities associated with the proposed project. Therefore, no impacts related to water drainage patterns would occur with project implementation.

e) No Impact: The proposed project would not create or contribute to runoff water thereby exceeding the capacity of existing or planned storm water drainage systems (refer to the discussion under Item **c-d** above). Therefore, no impacts relating to storm water drainage systems would occur with project implementation.

f) No Impact: The proposed project would not result in the degradation of water quality. Refer to the discussion under Item **a**, above. Transfer of the water would occur under all existing or future regulatory requirements affecting the operation of the SWP, including required flows through the Delta and maintenance of required water quality objectives. No impact to water quality would occur with project implementation.

g–i) No Impact: The proposed project would not involve the construction of housing. The transfer of a portion of Butte County's Table A allocation to the PWD would use existing SWP delivery and storage facilities, which were constructed to standard engineering design practices to limit the potential for exposure of people or property to water-related hazards, such as flooding. In addition, the SWP water would be delivered to the PWD consistent with all existing and future regulatory restrictions governing the operation of the SWP. The Oroville facilities are also operated for flood control, power generation, water supply, water quality improvement, and fish and wildlife enhancement requirements (DWR, 2007b). The proposed project would not expose people or property to water-related hazards such as flooding or impede or redirect flood flows.

j) No Impact: The transfer of Butte County's SWP Table A amount to the PWD would not expose people, structures or associated facilities to inundation of seiche, tsunami, or mudflow. No impacts would result from project implementation with respect to tsunamis, seiches, or mudslides.

Mitigation

None Required.

10. Land Use and Planning

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Physically divide an established community?				X
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?				X
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?				X

Setting

Land within the PWD boundaries that receive SWP are primarily designated as, and used for, residential, commercial and industrial purposes. The transferred water will be used to improve the PWD's water supply reliability and to help meet its anticipated water demands for existing service areas during the term of the proposed project.

The proposed project is limited to the multi-year transfer of 10,000 AFA of the Butte County SWP allocated Table A allocation to the PWD in Los Angeles County. The water would become part of the SWP delivery schedule between the District and DWR.

Discussion

a) No Impact: The proposed project would not displace or divide an established community, as no new construction activities would occur with project implementation; only existing SWP delivery and storage facilities would be used.

b) No Impact: The transfer of a portion of SWP Table A allocation from Butte County to the PWD would allow the District to meet its existing water supply needs.

The recently adopted Butte County General Plan 2030, includes a Water Resources Element that provides information about water supply, water quality, stormwater management and water service in Butte County. This Element contains goals, policies and actions designed to protect, maintain and restore water resources. General Plan Policy W-P2.4 states, "The County's State Water Project allocation should be fully utilized within Butte County," however, with the exception of the Water Supply Agreements with Del Oro Water Company and California Water Service Company, there are no plans or agreements to use the remaining portion of Butte County's Table A water within the County at this time. General Plan Action Item, W-A3.3 states that the County should, "Cooperate with local water purveyors to seek funds to conduct a study to evaluate options to convey the County's State Water Project Table A allocation to areas not currently served by this source, such as the Chico area." However, no funds have been allocated or studies initiated implementing this Action Item. The proposed project is a multi-year agreement, and therefore would not preclude the County from implementation of General Plan Policy W-P2.4 and Action Item, W-A3.3.

Also, the Butte County Department of Water and Resource Conservation's Integrated Water Resources Plan (IWRP) discusses policy recommendations and options for the County's SWP Table A allocation, including transferring water, on a short-term basis, for purchase by other SWP contractors. Implementation of the proposed project would not conflict with the policy recommendations in the IWRP to improve water management of Butte County's SWP Table A allocation (BCDWRC, 2005, pg. 4-3 and pg. 6-2).

The proposed project is consistent with the goals, objectives, and policies contained within the City of Palmdale and Los Angeles County General Plans (City of Palmdale, 1993; Los Angeles County, 2011) and would not remove obstacles to growth and development and therefore is not growth inducing. Implementation of the project would not conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project. Additionally, the project is consistent with PWD's 2010 Urban Water Management Plan (UWMP). The UWMP provides strategies for maintaining efficient use of urban water supplies, promotes water conservation, ensures that sufficient water supplies are available for future use, and provides a mechanism for response during drought water conditions. Implementation of the project would not conflict with any applicable land use plan, policy, or regulation of any agency with jurisdiction over the project.

c) No Impact: Butte County is currently in the planning phase of preparing an HCP/NCCP, with workshops scheduled for mid-2012. The proposed project would not conflict with any adopted habitat conservation plan (HCP) or natural communities conservation plan (NCCP).

Mitigation

None Required.

11. Mineral Resources

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				X
b) Result in the loss of availability of a locally-important mineral resource recovery site on a local general plan, specific plan or other land use plan?				X

Setting

Butte County's predominant mining products are aggregate resources and stone, although there are some gold mining operations as well. Aggregate resources, such as sand and gravel, are used extensively in all types of construction, including residential, commercial, industrial, roads and highways, dams, and bridges. The State Geologist has not yet mapped the mineral resources in Butte County, however no new construction is proposed with this project. The transferred water will be conveyed through existing SWP infrastructure. No structures or facilities will be constructed either in Butte or Los Angeles Counties which would impact potential mineral resources in the regions.

Discussion

a–b) No Impact: The transfer of a portion of Butte County's SWP Table A allocation to the PWD would not result in the loss of availability of a known mineral resource or locally-important mineral resource that would be of future value to the region and residents of the State. No impacts to mineral resources would occur with the proposed water transfer.

Mitigation

None Required.

12. Noise

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?				X

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?				X
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?				X
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?				X
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?				X
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				X

Setting

Major mobile noise sources in Butte County include roadway traffic, railroads, and airports. Roadway traffic is the most substantial source because the noise is constant as opposed to the periodic noise from railroads and airports. Major roadways within the project area include State Routes 99 and 70, and Interstate 5. There are a number of small airports and a railroad within the project area as well (Butte County, 2010).

Ambient noise in the PWD service area consists primarily of community noise, which varies continuously over a period of time with respect to the contributing sound sources of the community noise environment. Community noise is primarily the product of many distant noise sources, which constitute a relatively stable background noise exposure, with the individual contributors unidentifiable. Sources of noise include vehicle traffic, aircraft, commercial and industrial operations (PWD, 2011c).

Discussion

a–f) No Impact: The proposed project would help the PWD meet anticipated water demands for its existing service area and does not involve the development or enhancement of any new noise emitting sources. In addition, there would be no construction activities associated with the proposed project since the transfer would rely on existing SWP delivery and storage facilities. No noise impacts would result with project implementation.

Mitigation

None Required.

13. Population and Housing

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?				X
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				X

Setting

The proposed project is limited to the multi-year transfer of 10,000 AFA of SWP Table A allocation from Butte County to the PWD in Los Angeles County. The project would offset the reduction in reliability of SWP deliveries for the PWD and reduce their dependence on groundwater pumping during the term of the project. No housing would be displaced as a result of the proposed project in either Butte County or within the PWD service area, and no persons would be displaced from housing as a result of the proposed project.

Discussion

a–c) No Impact: This is a multi-year transfer agreement for water transfers and is not considered a reliable permanent source of water. The proposed project would benefit the PWD in meeting its anticipated water demands for existing service area. The transfer would not remove obstacles to growth and is not considered growth inducing. The project would not replace District's supplies or augment supplies long-term. In addition, no housing would be constructed, demolished or replaced as a result of the proposed project, no displacement of people and no substantial population growth would result. Therefore, no impacts to housing or population distribution would occur as a result of the proposed project.

Mitigation

None Required.

14. Public Services

Would the project: result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:	**Potentially Significant**	**Less Than Significant With Mitigation**	**Less Than Significant**	**No Impact**
a) Fire protection?				X
b) Police protection?				X
c) Schools?				X
d) Parks?				X
e) Other public facilities?				X

Setting

The proposed project is the transfer of unused SWP allocated Table A water from Butte County to supplement water supplies within the PWD. The transfers will be conveyed through existing SWP infrastructure; no new construction is required.

Discussion

a–e) No Impact: The proposed project does not create any new demand for public services or alterations to existing public facilities. The proposed transfer of a portion of Butte County's SWP Table A allocation would be conveyed through existing SWP facilities. Therefore, there are no impacts to public services or facilities as a result of implementation of this project.

Mitigation

None Required.

15. Recreation

Would the project:	**Potentially Significant**	**Less Than Significant With Mitigation**	**Less Than Significant**	**No Impact**
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?				X
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?				X

Setting

The proposed project is limited to the multi-year transfer of 10,000 AFA of unused SWP Table A allocation from Butte County to the PWD in Los Angeles County. Because the project involves the transfer of allocated SWP water conveyed through existing SWP facilities, there will be no direct or indirect impact to recreational uses. The proposed project would result in no increased use, beyond those existing, of recreational facilities, nor would it require additional recreational facilities.

Discussion

a-b) No Impact: The proposed project would not create or alter demand for recreational services. Lake levels at Oroville are the same under the baseline condition or project conditions.

Mitigation

None Required.

16. Traffic and Transportation

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?				X
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?				X
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?				X
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?				X
e) Result in inadequate emergency access?				X

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?				X

Setting

The proposed project is limited to the multi-year transfer of 10,000 AFA of unused SWP Table A allocation from Butte County to the PWD in Los Angeles County. The proposed project would not influence traffic in any way. The project would make use of existing SWP infrastructure already in place for conveyance of the water, and would help the District meet anticipated water demands for existing service areas. The proposed project would have no impact on traffic.

Discussion

a-g) No Impact: The proposed project does not create new demands for any mode of transportation services. The project would involve the use of existing SWP delivery and storage facilities. In addition, there are no construction activities associated with the proposed project (and therefore no increase in traffic levels, inadequate emergency access, etc.). No impacts associated with transportation or traffic would occur as a result of implementation of the project.

Mitigation

None Required.

17. Utilities and Service Systems

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Exceed wastewater treatment requirements of the applicable Water Quality Control Board?				X
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X

Would the project:	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?				X
e) Result in a determination by the wastewater treatment provider which serves/may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?				X
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?				X
g) Comply with federal, state, and local statutes and regulations related to solid waste?				X

Setting

The proposed project is limited to the multi-year transfer of 10,000 AFA of unused SWP Table A allocation from Butte County to the PWD in Los Angeles County. The proposed project would not impact utilities and service systems. The project would make use of existing SWP infrastructure for conveyance of the water, and would help the District meet anticipated water demands for existing service areas. The proposed project would have no impact on utilities and service systems.

Discussion

a–g) No Impact: The proposed project would not place additional demands on nor affect public utilities, particularly wastewater treatment facilities, water facilities and storm drain systems. The transfer of a portion of Butte County's SWP Table A allocation involves the conveyance of annually allocated SWP Table A water. The transfer will not affect SWP allocation. Conveyance of the transfer can be made within the existing capacity of the SWP facilities. No solid waste disposal or disposal facilities would be needed for the proposed project. Therefore, no impacts to existing utilities and conveyance systems would occur as a result of implementation of the proposed project.

Mitigation

None Required.

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4. Mandatory Findings of Significance

Mandatory Findings of Significance	Potentially Significant	Less Than Significant With Mitigation	Less Than Significant	No Impact
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?			X	
b) Does the project have impacts that are individually limited, but cumulatively considerable ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?				X
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?				X

Setting

Section 15065 of the CEQA Guidelines identifies the circumstances under which a lead agency must prepare an EIR. The Mandatory Findings of Significance must present the proposed project within the context of §15065. The Mandatory Findings must be rooted in "substantial evidence, in light of the whole record."

Discussion

a) Less than Significant: The proposed transfer of a portion of Butte County's unused SWP Table A amount to the PWD would be conveyed through existing facilities and require no new construction. It is anticipated that the transfer would occur during the months of July through December any year in which water is available through the contract term. The water would be conveyed to the District in conformance with the requirements contained in D1641 and all applicable restrictions contained in the current Biological Opinions for the protection of Delta smelt and anadromous fishes and marine mammal species, or any subsequent regulatory restrictions imposed on the operation of the SWP. As previously discussed in the biological resources and cultural resources sections of this Initial Study, implementation of the proposed project would not degrade the quality of the environment, substantially reduce fish or wildlife habitat or population

levels, reduce the number or restrict the range of a rare or endangered plant or animal species, or eliminate important examples of California history or prehistory.

b) No Impact: The California Water Resources Development Bond Act, also known as the Burns-porter Act (Water Code Section 12930 *et seq.*) was passed by the California Legislature in 1959 and approved by voters in 1960. The Burns-Porter Act authorized and financed the establishment of the State Water Resources Development System (the SWP) and authorized the State of California to enter into contracts for the sale, delivery, or use of water made available by the SWP in return for payment of a major portion of the capital and operations costs of the SWP. Subsequently, 29 long-term water supply contracts were executed with water agencies throughout the State, which are collectively known as the SWP contractors. Each contract for long-term water supply contains a Table A amount that sets forth the amount of SWP water upon which the proportional use of SWP facilities and the contractor's proportionate share of available SWP water are based. The amount of Table A water is not assured, but rather provides the basis for proportional allocation of available SWP supplies among the contractors. Availability depends on several factors, including, but not limited to: annual hydrology, available hydrologic forecast data, initial and projected storage in SWP reservoirs, operational constraints, and contractor demands.

The existing long-term contract provides that the SWP contractors may sell any unused Table A allocation to other SWP contractors only through the Turnback Water Pool. The Turnback Water Pool allows SWP contractors, with unused allocated Table A water, to turn their water back into a pool for purchase by other SWP contractors. Butte County has participated in the Turnback Pool in prior years to sell its unused Table A amounts. The proposed transfer between Butte County and the PWD would be conducted outside the Turnback Water Pool and would be a direct, bi-lateral agreement between Butte County and the PWD, which is consistent with the Agreement in Principle in the Area of Origin litigation between Butte County and DWR.

The amount of water delivered to SWP contractors will not change with the proposed project because in the absence of the project Butte County would sell its unused Table A allocation through the Turnback Pool. However, the individual delivery amounts for specific contractors will change. To illustrate the change, **Table 3** provides a summary of the Turn-Back Water Pool Program as from 2001 to 2011 and shows the variation of the water received by each SWP contractor each year. **Table 3** demonstrates that any impacts to individual contractors are *de minimus.*

Table 3
2001-2011 Turnback Water Pool Buyers (AF)

SWP Contractor	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Alameda County FC&WCD-Zone 7	308	556	656	-	275	491	378	-	-	249	1319
Alameda County WD	107	862	354	214	943	256	197	37	8	14	506
Antelope Valley-East Kern WA	899	1,008	250	-	-	-	-	125	77	438	-
Castaic Lake WA	618	-	90	-	-	-	-	-	52	295	-
Coachella Valley WD	91	474	194	89	2716	-	568	107	66	429	2262
County Of Kings	-	54	34	49	202	173	43	8	5	29	152
Desert Water Agency	151	781	321	102	1,122	-	234	44	27	173	240
Dudley Ridge Water District	347	1,177	482	291	1,286	1,068	269	51	32	156	823
Kern County WA - AG	6,502	20,543	8,419	5,075	22,397	18,610	4,683	883	544	3,044	16,068
Napa County FC&WCD	82	283	180	52	-	-	-	21	13	90	-
Oak Flat Water District	22	76	48	29	127	107	27	5	3	18	-
San Gorgonio Pass WA	-	-	-	-	22	-	-	-	-	6	-
Palmdale Water District	-	437	-	-	-	130	100	19	-	59	-
San Luis Obispo County FC&WCD	99	-	-	-	-	-	-	-	-	-	-
Santa Barbara County FC&WCD	296	324	43	122	155	-	-	40	25	140	-
Santa Clara Valley WD	-	2,053	841	508	342	-	469	88	54	34	-
The Metropolitan Water District of	7,949	14,335	16920	10223	6530	11,638	8,962	1,689	1,042	5,922	8,237
Tulare Lake Basin WSD	769	2,289	938	489	2,158	1,787	450	85	52	275	1,454
Subtotal (AF)	18,240	45,252	29,770	17,240	38,275	34,260	16,380	3,202	2,000	11,371	31,061
Total SWP Deliveries (AF)	1,615,212	2,599,218	3,018,962	2,883,306	3,543,139	3,599,154	2,528,689	1,313,611	1,371,103	1,988,893	3,266,273
Percentage of Turnback/SWP (%)	1.13	1.74	0.99	0.60	1.08	0.95	0.65	0.24	0.15	0.57	0.95

Source: DWR, 2012d.

In addition to the proposed multi-year transfer of a portion of Butte County's SWP Table A allocation, a number of SWP contractors, including PWD and the Central Valley Project (CVP) contractors (collectively the Buyers), are negotiating water transfers from willing sellers in the Sacramento Valley to augment dry year water supplies. Proposed 2012 water transfers from the Sacramento Valley include short-term one-year programs in which water would be developed through reservoir release, groundwater substitution, conserved water savings, crop idling or crop-shifting (shifting from higher water use crops to lower water use crops). The transfer water would be made available through the Feather River and lower Sacramento River upstream of the Sacramento/San Joaquin Delta. The water would ultimately be transported through the Delta and pumped through either the SWP Banks or CVP Jones pumping plants in conformance with all applicable existing regulatory constraints governing project operations. Water will be exported from the Delta at times when it will not impact project operations and excess transportation capacity exists in the SWP or CVP. The Buyers would take delivery of the transferred water in a manner physically identical to their typical SWP or CVP deliveries. The transfer water would provide additional water supply options to the Buyers to mitigate dry-year water shortage conditions and to offset the reduction in reliability from SWP contracts, and would not represent a dependable permanent increase in supply. Typical transfers may be executed in future dry and critical year types.

Currently, the best estimate for water transfers being considered in the Sacramento Valley is approximately 85,000 AF. Potential participants in the crop-idling transfers include the Richvale Irrigation District, Butte Water District, Biggs-West Gridley, and Western Canal Water District located wholly or partially in Butte County and Sutter Extension Water District. Butte Water District has a small (5,350 AF) of in-lieu pumping in the Sutter County portion of their District. Additionally, Conaway Ranch Development is proposing to transfer water developed through a combination of crop-idling and crop-shifting. Water made available through crop-idling and crop-shifting will be made available on the same pattern it would have been consumptively used in the absence of the transfer. South Feather Water and Power Agency is proposing to make storage releases and South Sutter Water District is proposing a groundwater substitution transfer involving the increased use of groundwater pumping and the release of an equivalent amount of surface water. Browns Valley irrigation District is proposing to transfer water made available through installation of conservation facilities. Each of the agencies proposing crop idling or crop shifting based transfers prepared an Initial Study/Negative Declaration evaluating the potential impacts of the proposed transfers including potential impacts as a result of exporting the water through the Delta. Each of the agencies proposing to transfer water made available through reservoir release, groundwater substitution and conservation based transfers must file a Petition for Temporary Change with the State Water Resources Control Board and obtain an order approving the transfer prior to implementation.

The proposed project is a multi-year agreement (a two-year agreement and an eight-year agreement with options to extend) for the transfer of a minimum of 10,000 AF of Butte County's unused SWP Table A allocation annually. Although not included as part of the approximately 85,000 AF of water actively being considered for transfer in the Sacramento Valley in 2012, the total amount of water that could be transferred is within historic transfer volumes and represents about three percent of the average annual total water supply available in the Sacramento Valley from surface and groundwater resources for all uses. Water transfers from the Sacramento Valley through the Delta for consumptive uses and environmental purposes have been occurring on a large scale for over a decade and recognizing that no significant impacts have been noted for transfers within this order or magnitude; no significant impacts are expected within the Sacramento Valley. Delta impacts are likewise not anticipated to be significant as all water

transferred and pumped in previous years has been done within existing biological constraints. Therefore, the transfer of Butte County's SWP Table A amount, when viewed in combination with other potential water transfer projects would not result in a significant cumulative impact.

c) No Impact: This Initial Study Checklist and corresponding analysis assesses the potential impacts associated with the multi-year agreement (a two-year agreement and an eight-year agreement) for the transfer of a portion of Butte County's unused SWP Table A allocation to the PWD to enable the District to better meet their anticipated water demands for existing service areas. As of April 16, 2012, the SWP has allocated 60 percent of the total initial request of Table A amount for long-term SWP contractors.

The proposed project would result in the transfer of a minimum of 10,000 AF of Table A allocation annually for a multi-year period (depending on the SWP allocation amounts). Without the proposed project, the PWD anticipates a water supply deficit of 8,520 AF on average (refer to **Table 1**). The intent of the project is to increase the reliability of SWP water deliveries to the PWD by offsetting reductions in SWP deliveries during dry years. The transfer of a portion of Butte County's unused Table A amounts to the District represents approximately 30 percent of their overall demand. The minimal increase in water to the District is not enough to expand its service area. There are no construction activities associated with the proposed project; the conveyance of the transfer of water would be accomplished consistent with the existing and any future regulatory restrictions affecting the operation of the SWP. The proposed project would not cause substantial adverse effects on human beings, either directly or indirectly.

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5. Preparers and References

Report Preparation

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6. Acronyms and Abbreviations

Agencies, Boards, Commissions, Districts:

BCAQMD ..... Butte County Air Quality Management District
CARB ..... California Air Resources Board
DFG ..... (California) Department of Fish and Game
DWR ..... (California) Department of Water Resources
DTSC ..... (California) Department of Toxic Substances Control
EPA ..... Environmental Protection Agency
FEMA ..... Federal Emergency Management Agency
ISZ ..... Industrial Service Zone
LOSRA ..... Lake Oroville State Recreation Area
NOAA ..... National Oceanic Atmospheric Administration
NRDC ..... Natural Resources Defense Council
NSVAB ..... Northern Sacramento Valley Air Board
PCFFA ..... Pacific Coast Federation of Fishermen's Association
PWD ..... Palmdale Water District
USFWS ..... United States Fish and Wildlife Service

Guidelines, Policies, Programs, Regulations:

AB ..... Assembly Bill
A-P EFZ ..... Alquist-Priolo Earthquake Fault Zoning Act
BCGP ..... Butte County General Plan
CEQA ..... California Environmental Quality Act
CESA ..... California Endangered Species Act
CFR ..... Code of Federal Regulations
CVP ..... Central Valley Project
CWA ..... Clean Water Act
EIR ..... Environmental Impact Report
ESA ..... Endangered Species Act
HCP ..... Habitat Conservation Plan
IWRP ..... Integrated Water Resources Plan
NCCP ..... Natural Community Conservation Plan
OCAP ..... (SWP) Operations Criteria and Plan
PRC ..... Public Resources Code
SWP ..... State Water Project

Miscellaneous:

AF	Acre-feet
AFA	Acre-feet per Annum
CNDDB	California Natural Diversity Database
CSC	California Species of Special Concern
dB	Decibel(s)
FIRM	Flood Insurance Rate Map
GHG	Green House Gases
kWh	Kilowatt hours
$PM_{10 / 2.5}$	Particulate Matter less than 10 / 2.5 Microns
TAF	Thousand Acre-feet

7. Glossary

acre-foot: The volume of water (about 325,900 gallons) that would cover an area of 1 acre to a depth of 1 foot. This is enough water to meet the annual needs of one to two households.

agricultural water supplier: As defined by the California Water Code, a public or private supplier that provides water to 2,000 or more irrigated acres per year for agricultural purposes or serves 2,000 or more acres of agricultural land. This can be a water district that directly supplies water to farmers or a contractor that sells water to the water district.

Article 21 water: Surplus water that a contractor can receive in addition to its allocated Table A water. This water is only available if several conditions are met: (1) excess water is flowing through the Delta; (2) the contractor can use the surplus water or store it in the contractor's own system; and (3) delivering this water will not interfere with Table A allocation, other SWP deliveries, or SWP operations.

biological opinion: A determination by the U.S. Fish and Wildlife Service or National Marine Fisheries Service on whether a proposed federal action is likely to jeopardize the continued existence of a threatened or endangered species or result in the destruction or adverse modification of designated "critical habitat." If jeopardy is determined, certain actions are required to be taken to protect the species of concern.

carryover water: A water supply "savings account" for SWP water that is allocated to an SWP contractor in a given year, but not used by the end of the year. Carryover water is stored in the SWP's share of San Luis Reservoir, when space is available, for the contractor to use in the following year.

Central Valley Project (CVP) : Operated by the U.S. Bureau of Reclamation, the CVP is a water storage and delivery system consisting of 20 dams and reservoirs (including Shasta, Folsom, and New Melones Reservoirs), 11 power plants, and 500 miles of major canals. CVP facilities reach some 400 miles from Redding to Bakersfield and deliver about 7 million acre-feet of water for agricultural, urban, and wildlife use.

State Water Project (SWP) : Operated by DWR, a water storage and delivery system of 33 storage facilities, 701 miles of open canals and pipelines, five hydroelectric power plants, and 20 pumping plants that extends for more than 600 miles in California. Its main purpose is to store and distribute water to 29 urban and agricultural water suppliers in Northern California, the San Francisco Bay Area, the San Joaquin Valley, the Central Coast, and Southern California. The SWP provides supplemental water to approximately 25 million Californians (two-thirds of California's population) and about 750,000 acres of irrigated farmland. Water deliveries have ranged from 1.4 million acre-feet in a dry year to more than 4.0 million acre-feet in a wet year.

SWP contractors: Twenty-nine entities that receive water for agricultural or municipal and industrial uses through the SWP. Each contractor has executed a long-term water supply contract with DWR. Also sometimes referred to as "State Water Contractors."

Table A water (Table A amounts): The maximum amount of SWP water that the State agreed to make available to an SWP contractor for delivery during the year. Table A amounts determine the

maximum water a contractor may request each year from DWR. The State and SWP contractors also use Table A amounts to serve as a basis for allocation of some SWP costs among the contractors.

turnback pool water: Allocated water that individual SWP contractors may offer early in the year for other SWP contractors to buy later at a set price.

Appendices

Appendix A
Letter of Intent; Palmdale Water District and Butte County

PALMDALE WATER DISTRICT

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LAGERLOF, SENECAL, GOSNEY & KRUSE LLP
Attorneys

December 16, 2011

Mr. Paul Gosselin, Director
Butte County Department of Water
and Resource Conservation
308 Nelson Avenue
Oroville, CA 95965

RE: LONG-TERM LEASE – STATE WATER PROJECT TABLE A
LETTER OF INTENT

Dear Mr. Gosselin:

The purpose of this letter of intent ("LOI") is to set forth the general terms and conditions for a ten-year lease ("Lease") of State Water Project ("SWP") Table A. The Palmdale Water District ("PWD") is willing to proceed with the preparation of an agreement and related documentation ("Definitive Agreement"), as set forth below, with respect to the acquisition of water from the County of Butte ("Butte"). It is intended that the Definitive Agreement will set forth in greater detail the terms and conditions of this LOI and such other terms and conditions as are mutually agreed upon by the parties. Neither PWD nor Butte is bound in any way to proceed with the transfer of SWP Table A contemplated herein until final and completed documents are executed by the parties.

1. Description. PWD needs supplemental water to meet its long-term water supply needs. Butte has a SWP contract for twenty-seven thousand five hundred (27,500) acre-feet of SWP Table A. PWD proposes to lease ten thousand (10,000) acre-feet of Butte's SWP Table A (the "Water"). Butte has projected that the Water is surplus to its current and long-term water supply needs.

2. Purpose of Lease. PWD needs one hundred percent (100.0%) of its SWP Table A contract of 21,300 acre-feet on a long-term basis. In August 2010, Department of Water Resources ("DWR") issued The State Water Project Delivery Reliability Report 2009 that projected the long-term allocation of SWP Table A at sixty percent (60.0%). Based on DWR's projection, PWD needs an additional eight thousand five hundred and twenty (8,520) acre-feet of firm water supplies on average each year to offset the reduction in reliability from its SWP contract.

3. Type of Transfer and CEQA Compliance. This is a Lease of SWP Table A from Butte to PWD. The transfer of the Water is internal to the SWP and covered by current licenses and permits. The transfer requires the approval of DWR. The transfer of SWP Table A is subject to the California Environmental Quality Act. It is anticipated that PWD would be the Lead Agency in the CEQA process and that PWD would be responsible for the cost and preparation of the required documents. The lease shall not proceed unless and until the parties have negotiated, executed and delivered mutually acceptable agreements based upon information produced from the CEQA environmental review process and all governmental approvals. No party will be pre-committed to any approvals until all environmental work has been completed and all parties have made findings to proceed.

4. Delivery of Water. The Water will become part of the SWP delivery schedule between PWD and DWR. PWD shall make all necessary arrangements with DWR for the conveyance of the Water to PWD's service area. The LOI is based on requirement that DWR allow undelivered Water to remain in SWP conservation storage as provided under (i) Article 14(b), (ii) Article 56(c) or (iii) Article 12(e).

5. Term. The term of the agreement shall be for a period of ten years ("Term"). (It is anticipated that the Term will begin in 2012 and end in 2021.) Upon expiration of the Term, PWD and Butte shall have the option to extend the Definitive Agreement for subsequent periods of five (5) years each. Extension of the Term is subject to a determination by Butte that surplus water is available (Butte may adjust the quantity of the Water for said extensions, based on projected water needed to meet in-County demands).

6. Quantity. Butte shall lease PWD 10,000 acre-feet of the Water ("Quantity"). If Butte makes additional water available on an annual basis, PWD shall have option to acquire water on same terms and conditions set forth in the Definitive Agreement.

7. Price. During the Term, PWD shall pay Butte per acre-foot of the Water the sum of: (a) the then-current Delta Water Charge and (b) fifty dollars ($50.00). The combination of (a) and (b) shall be referred to as the "Water Rate." After the first year, part (b) of the Water Rate shall be escalated by three and one-half percent (3.5%) for years two through six and four percent (4.0%) for years seven through ten of the Term.

8. Payment. On an annual basis, PWD shall make a payment to Butte equal to the Water Rate multiplied by the Quantity ("Payment"). The Payment shall be divided into two equal installments due on January 1 and July 1 of each year during the Term.

9. SWP Fixed Costs. Butte shall be responsible for paying DWR the annual fixed charges related to its SWP contract. In the event that DWR makes adjustments (credits or additional charges) to the annual fixed costs, then Butte shall adjust the following year's Payment. Butte shall invoice or refund PWD for adjustments made during the next 5 years after the expiration of the Term.

10. Transaction Costs. Each party shall be responsible for its legal and consulting costs. To the extent that a third-party initiates a claim, PWD and Butte shall share equally in the costs to defend the claim.

11. Low SWP Allocation. Once during any ten-year period of the Term or extensions thereof, SWP allocation is below thirty-five percent (35.0%), PWD shall have the option of deferring the per acre-foot charge in paragraph 7 (b). The Payment associated with the per acre foot charge shall be paid in equal installments of twenty percent (20.0%) each year over the subsequent 5 years ; installment payments bear an interest rate equivalent to the escalator percentage in effect during the year that the paragraph 7(b) charge was deferred.

12. Material Changes in Delivery to PWD. In the event the ability for DWR to deliver the Water to PWD is materially reduced from current conditions for longer than one year, either due to significant regulatory, operational, natural catastrophes, or similar issues that cannot be mitigated by the use of conservation storage as described in paragraph 4, PWD has the option to suspend or terminate the Definitive Agreement. Terms and conditions constituting "Material Change" shall be defined within the definitive agreement.

13. Preparation of Definitive Agreement. Following Butte's acceptance of the terms and conditions contained herein, PWD will prepare and deliver to Butte a draft of the Definitive Agreement that will incorporate the terms and conditions of this LOI. By execution of this LOI, PWD and Butte agree to negotiate in good faith the Definitive Agreement in accordance with the terms and conditions set forth in this LOI and such other terms and conditions relating to the lease of the Water as may be required by the parties.

14. Purpose of LOI. The purpose of this LOI is to set forth the basic terms and conditions of a proposed transaction between the parties, and to establish the basis upon which the parties can negotiate the Definitive Agreement. The parties specifically acknowledge that (i) this LOI does not, except for the obligation of good faith negotiations provided in Section 13 above, constitute a binding contractual obligation to sell and purchase the Water and (ii) Butte shall not be bound to sell the Water until the Definitive Agreement is mutually executed and delivered.

15. Authority. Each of the undersigned individuals, by execution of this LOI on behalf of PWD and Butte, as applicable, represents and warrants to the other that such individual has the legal power, right and actual authority to execute this LOI and negotiate the terms of the lease of the Water. It is understood by all parties that the County of Butte Board of Supervisors and the PWD Board of Directors must approve the Definitive Agreement.

If the foregoing meets with your approval and you are willing to proceed with the negotiations for the Definitive Agreement upon the basis set forth herein, please indicate your acceptance by executing the copy of this LOI that has been enclosed and delivering it to Lagerlof, Senecal, Bradley, Gosney & Kruse, LLP, 301 North Lake Avenue, 10th Floor, Pasadena, CA, 91101, Attention: H. Jess Senecal, Attorney at Law. If this LOI is not so executed and received on or before January 15, 2012, the terms set forth in this LOI shall be null and void.

PALMDALE WATER DISTRICT

By: _____
Dennis LaMoreaux, General Manager

AGREED AND ACCEPTED:

COUNTY OF BUTTE

By: _____
Paul Gosselin, Director
Butte County Department of Water
and Resource Conservation

Date: _____

cc: Mr. Jess Senecal Esq., Lagerlof, Senecal, Bradley, Gosney & Kruse, LLP
Mr. Eric R. Robbins, Sierra Water Group, Inc.

Appendix B
2012 DWR Table A Allocation

NOTICE TO STATE WATER PROJECT CONTRACTORS

Date: APR 16 2012

Number: 12-07

Subject: 2012 State Water Project Allocation Increase to 60 Percent

From:

Carl A. Torgersen
Deputy Director
Department of Water Resources

The Department of Water Resources (DWR) is increasing the allocation of 2012 State Water Project (SWP) water for long-term contractors from 2,086,130 acre-feet to 2,503,354 acre-feet. Based on recent precipitation, runoff, and current water supply conditions, SWP supplies are projected to meet 60 percent of SWP contractors' 2012 requested Table A amounts, which total 4,172,256 acre-feet. Attached is the revised 2012 SWP 60 percent allocation table.

This allocation increase is made consistent with the long-term water supply contracts and public policy. DWR's new approval considered several factors including existing storage in SWP conservation reservoirs, SWP operational constraints such as the conditions of the recent Biological Opinions for Delta smelt and salmonids and the longfin smelt incidental take permit, and 2012 contractor demands. DWR may revise allocations if warranted by the year's developing hydrologic and water supply conditions.

Based on this allocation increase, DWR will use the current long-term SWP contractors 50 percent schedules to arrive at the new 60 percent schedules, unless contractors submit updated schedules. DWR will send the approved monthly water delivery schedules to the long-term SWP contractors.

If you have any questions or need additional information, please contact Robert Cooke, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313.

Attachment

2012 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)

SWP CONTRACTORS	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT INITIAL REQUEST APPROVED (3)/(2) (4)
FEATHER RIVER				
County of Butte	27,500	27,500	16,500	60%
Plumas County FC&WCD	2,320	2,320	1,392	60%
City of Yuba City	9,600	9,600	5,760	60%
Subtotal	**39,420**	**39,420**	**23,652**	
NORTH BAY				
Napa County FC&WCD	29,025	29,025	17,415	60%
Solano County WA	47,606	47,606	28,564	60%
Subtotal	**76,631**	**76,631**	**45,979**	
SOUTH BAY				
Alameda County FC&WCD, Zone 7	80,619	80,619	48,371	60%
Alameda County WD	42,000	42,000	25,200	60%
Santa Clara Valley WD	100,000	100,000	60,000	60%
Subtotal	**222,619**	**222,619**	**133,571**	
SAN JOAQUIN VALLEY				
Oak Flat WD	5,700	5,700	3,420	60%
County of Kings	9,305	9,305	5,583	60%
Dudley Ridge WD	50,343	50,343	30,206	60%
Empire West Side ID	3,000	3,000	1,800	60%
Kern County WA	982,730	982,730	589,638	60%
Tulare Lake Basin WSD	88,922	88,922	53,353	60%
Subtotal	**1,140,000**	**1,140,000**	**684,000**	
CENTRAL COASTAL				
San Luis Obispo County FC&WCD	25,000	25,000	15,000	60%
Santa Barbara County FC&WCD	45,486	45,486	27,292	60%
Subtotal	**70,486**	**70,486**	**42,292**	
SOUTHERN CALIFORNIA				
Antelope Valley-East Kern WA	141,400	141,400	84,840	60%
Castaic Lake WA	95,200	95,200	57,120	60%
Coachella Valley WD	138,350	138,350	83,010	60%
Crestline-Lake Arrowhead WA	5,800	5,800	3,480	60%
Desert WA	55,750	55,750	33,450	60%
Littlerock Creek ID	2,300	2,300	1,380	60%
Mojave WA	82,800	82,800	49,680	60%
Metropolitan WDSC	1,911,500	1,911,500	1,146,900	60%
Palmdale WD	21,300	21,300	12,780	60%
San Bernardino Valley MWD	102,600	102,600	61,560	60%
San Gabriel Valley MWD	28,800	28,800	17,280	60%
San Gorgonio Pass WA	17,300	17,300	10,380	60%
Ventura County WPD	20,000	20,000	12,000	60%
Subtotal	**2,623,100**	**2,623,100**	**1,573,860**	
TOTAL	**4,172,256**	**4,172,256**	**2,503,354**	

SWPAO
4/13/2012

MEMORANDUM

TO: **Board of Directors of the Palmdale Water District**

FROM: **Jon Pernula, Water and Energy Resource Manager**

SUBJECT: **Responses to Comments regarding the Initial Study/ Negative Declaration for the Butte County – Palmdale Water District Multi-Year State Water Project Table A Water Transfer; SCH#2012051063**

DATE: **July 3, 2012**

Honorable Board Members:

Below are staff responses to comments received on the above referenced document.

Introduction

The 30-day public review comment period for the Initial Study/Proposed Negative Declaration (IS/ND) for the ***Butte County – Palmdale Water District Multi-Year State Water Project Table A Water Transfer*** began on May 23, 2012 and closed on June 21, 2012, with the State Clearinghouse (SCH) for state agencies and Kern County for local agencies, stakeholders, and the general public. The 30-day public review comment period for Butte County local agencies, stakeholders, and the general public began on June 1, 2012 and closed on July 2, 2012.

CEQA Guidelines

Consideration and Adoption of a Negative Declaration

Per CEQA Guidelines Section 15074(b):

> *Prior to approving a project, the decision-making body of the lead agency shall consider the proposed negative declaration or mitigated negative declaration together with any comments received during the public review process. The decision-making body shall adopt the proposed negative declaration or mitigated negative declaration only if it finds on the basis of the whole record before it (including the initial study and any comments received), that there is not substantial evidence that the project will have a significant effect on the environment and, that the negative declaration or mitigated negative declaration reflects the lead agency's independent judgment and analysis.*

The information contained herein provides an overview of each of the comments received on the IS/ND and staff's responses to those comments, as deemed appropriate and necessary. The responses provide

clarifying information and direct the Board of Directors, and the commenter, to the appropriate page or section within the IS/ND that addresses their topic in more detail, if applicable (CEQA Guidelines Section 15073.5).

The information contained in IS/ND responses and adopted per Resolution by the Board of Directors meets one or more of the following criteria, as per CEQA Guidelines Section 15073.5:

1. Mitigation measures are replaced with equal or more effective measures pursuant to Section 15074.1

2. New project revisions are added in response to written or verbal comments on the project's effects identified in the proposed negative declaration which are not new avoidable significant effects.

3. Measures or conditions of project approval are added after circulation of the negative declaration which are not required by CEQA, which do not create new significant environmental effects and are not necessary to mitigate an avoidable significant effect.

4. New information is added to the negative declaration which merely clarifies, amplifies, or makes insignificant modifications to the negative declaration.

Comments Received

Provided below is a list of public agencies and persons that provided comments on the IS/ND.

Written Comments	*Date*
1. Dave Singleton, Native American Heritage Commission	June 4, 2012
2. Bret Banks, Antelope Valley Air Quality Management District	June 21, 2012

Responses Format

The original comment letters received are attached in their entirety for your reference. It should be noted that all comments received are summarized and addressed by staff in this Memorandum.

Comment Letter 1: Dave Singleton, Native American Heritage Commission
June 4, 2012

Comment: Mr. Singleton provides an overview of the role of the Native American Heritage Commission (NAHC) and its role as a Trustee Agency for the protection and preservation of Native American cultural resources and identifies the state and federal statutes that supports their mandate.

Response: Generally, the comment letter is a standard response provided by the NAHC to ensure that Lead Agencies are aware of statutes and procedures that may be applicable to any given project. The commenter, in the third paragraph, notes that Lake Oroville is known to be culturally sensitive. Section 5, pages 25-26 of the IS/ND provides a determination that there would be no impacts to cultural resources as a result of the water transfer. Specifically, the IS/ND states:

> *The proposed project does not involve a change in water surface elevation in Lake Oroville or any land alteration and thus no archeological or paleontological disturbances are possible within the proposed project's scope. In addition, with no construction activities proposed, there would be no disturbances to potential burial sites or cemeteries. The California Department of Parks and Recreation (State Parks) has jurisdiction over the water surface of Lake Oroville as well as most of the shoreline areas, which are managed as the Lake Oroville State Recreation Area (LOSRA). There are archeological sites (including Native American sites) within Lake Oroville. Because the lake levels can vary widely during periods of dry years, State Parks rangers and Maidu volunteers, trained by a State Parks archaeologist, are available to monitor the sites and enforce the laws that protect sensitive archaeological sites if needed. The proposed project does not lower the Lake beyond the baseline condition.*

Comment Letter 2: Bret Banks, Antelope Valley Air Quality Management District
June 21, 2012

Comment: The Air Quality Management District reviewed the proposed IS/ND and concurs that there is no air quality impact as a result of the project.

Response: As indicated in the comment summary above, the Air Quality Management District reviewed the proposed IS/ND and concurs that there is no air quality impact as a result of the project. No further response is necessary.

Clarifications to the Negative Declaration

Upon review of the IS/ND, PWD Counsel provided a minor clarification to the IS/ND. This information does not change the significance of any of the environmental discussions in the IS/ND, and is provided for informational purposes only.

With regard to the Environmental Setting, described on page 11 of the IS/ND, it should be noted that the Antelope Valley Groundwater Basin is currently in the midst of an adjudication proceeding, and it is possible that PWD's ability to produce groundwater in the future may be limited and/or subject to monetary assessment.

Attachments

OPR/SCH Transmittal Letter

Comment Letter 1: Native American Heritage Commission

Comment Letter 2: Antelope Valley Air Quality Management District

STATE OF CALIFORNIA

GOVERNOR'S OFFICE *of* PLANNING AND RESEARCH

STATE CLEARINGHOUSE AND PLANNING UNIT

EDMUND G. BROWN JR.
GOVERNOR

KEN ALEX
DIRECTOR

June 22, 2012

Jon Pernula
Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550

Subject: Butte County - Palmdale Water District Multi-Year State Water Project Table A Water Transfer
SCH#: 2012051063

Dear Jon Pernula:

The State Clearinghouse submitted the above named Negative Declaration to selected state agencies for review. On the enclosed Document Details Report please note that the Clearinghouse has listed the state agencies that reviewed your document. The review period closed on June 21, 2012, and the comments from the responding agency (ies) is (are) enclosed. If this comment package is not in order, please notify the State Clearinghouse immediately. Please refer to the project's ten-digit State Clearinghouse number in future correspondence so that we may respond promptly.

Please note that Section 21104(c) of the California Public Resources Code states that:

> "A responsible or other public agency shall only make substantive comments regarding those activities involved in a project which are within an area of expertise of the agency or which are required to be carried out or approved by the agency. Those comments shall be supported by specific documentation."

These comments are forwarded for use in preparing your final environmental document. Should you need more information or clarification of the enclosed comments, we recommend that you contact the commenting agency directly.

This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act. Please contact the State Clearinghouse at (916) 445-0613 if you have any questions regarding the environmental review process.

Sincerely,

Scott Morgan
Director, State Clearinghouse

Enclosures
cc: Resources Agency

Document Details Report
State Clearinghouse Data Base

SCH# 2012051063
Project Title Butte County - Palmdale Water District Multi-Year State Water Project Table A Water Transfer
Lead Agency Palmdale Water District

Type Neg Negative Declaration

Description The proposed project is a Multi-Year Table A Water Transfer Agreement between Butte County and the Palmdale Water District (PWD or District). The District is pursuing a multi-year agreement, with an option for multiple additional five-year extensions, to transfer a portion of Butte County's SWP Table A amount. The intent of the agreement is to improve the District's water supply reliability and to help meet its existing and anticipated water demands during the term of the proposed project. The proposed transfer would include the water derived annually from 10,000 acre-feet (AF) of Butte County's Table A amount, and a portion of any additional unused water Butte may have in any particular year.

Lead Agency Contact

Name Jon Pernula
Agency Palmdale Water District
Phone 661 947 4111 **Fax**
email
Address 2029 East Avenue Q
City Palmdale **State** CA **Zip** 93550

Project Location

County Butte, Los Angeles
City Palmdale
Region
Lat / Long 34° 32' 36" N / 118° 1' 47" W
Cross Streets
Parcel No.
Township **Range** **Section** **Base**

Proximity to:

Highways SR 138, 14
Airports
Railways
Waterways State Water Project, Sacramento River, Delta
Schools
Land Use Agricultural Land

Project Issues

Reviewing Agencies Resources Agency; Department of Fish and Game, Region 2; Department of Fish and Game, Region 4; Office of Historic Preservation; Department of Parks and Recreation; Department of Water Resources; California Highway Patrol; Caltrans, District 4; Caltrans, District 6; State Water Resources Control Board, Division of Water Quality; State Water Resources Control Board, Division of Water Rights; Native American Heritage Commission; State Lands Commission

Date Received 05/23/2012 **Start of Review** 05/23/2012 **End of Review** 06/21/2012

Note: Blanks in data fields result from insufficient information provided by lead agency.

NATIVE AMERICAN HERITAGE COMMISSION
915 CAPITOL MALL, ROOM 364
SACRAMENTO, CA 95814
(916) 653-6251
Fax (916) 657-5390
Web Site www.nahc.ca.gov
ds_nahc@pacbell.net

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JUN 19 2012
STATE CLEARING HOUSE

June 4, 2012

Mr. Jon Pernula, Water & Energy Resources Manager
Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550

Re: SCH#2012051063; CEQA Notice of Completion; proposed Negative Declaration for the **"Multi-Year State Water Project Table A Water Transfer (Butte County to NE Los Angeles County);"** located from 1,680 square miles State Water Project Delivered from Lake Oroville; Butte County to the Antelope Valley, Los Angeles County, California.

Dear Mr. Pernula:

The Native American Heritage Commission (NAHC), the State of California 'Trustee Agency' for the protection and preservation of Native American cultural resources pursuant to California Public Resources Code §21070 and affirmed by the Third Appellate Court in the case of EPIC v. Johnson (1985: 170 Cal App. 3rd 604).

This letter includes state and federal statutes relating to Native American historic properties of religious and cultural significance to American Indian tribes and interested Native American individuals as 'consulting parties' under both state and federal law. State law also addresses the freedom of Native American Religious Expression in Public Resources Code §5097.9.

The California Environmental Quality Act (CEQA – CA Public Resources Code 21000-21177, amendments effective 3/18/2010) requires that any project that causes a substantial adverse change in the significance of an historical resource, that includes archaeological resources, is a 'significant effect' requiring the preparation of an Environmental Impact Report (EIR) per the CEQA Guidelines defines a significant impact on the environment as 'a substantial, or potentially substantial, adverse change in any of physical conditions within an area affected by the proposed project, including ...objects of historic or aesthetic significance." In order to comply with this provision, the lead agency is required to assess whether the project will have an adverse impact on these resources within the 'area of potential effect (APE), and if so, to mitigate that effect. The NAHC did conduct a Sacred Lands File (SLF) search within the 'area of potential effect (APE} – The southern Antelope Valley only and Native American cultural resources were not identified. However, this area is known to the NAHC to be very culturally sensitive; in addition, the transferred water will travel through many cultural sensitive areas of California.

The NAHC "Sacred Sites,' as defined by the Native American Heritage Commission and the California Legislature in California Public Resources Code §§5097.94(a) and 5097.96. Items in the NAHC Sacred Lands Inventory are confidential and exempt from the Public Records Act pursuant to California Government Code §6254 (r).

Early consultation with Native American tribes in your area is the best way to avoid unanticipated discoveries of cultural resources or burial sites once a project is underway.

Culturally affiliated tribes and individuals may have knowledge of the religious and cultural significance of the historic properties in the project area (e.g. APE). We strongly urge that you make contact with the list of Native American Contacts on the attached list of Native American contacts, to see if your proposed project might impact Native American cultural resources and to obtain their recommendations concerning the proposed project. Pursuant to CA Public Resources Code § 5097.95, the NAHC requests cooperation from other public agencies in order that the Native American consulting parties be provided pertinent project information. Consultation with Native American communities is also a matter of environmental justice as defined by California Government Code §65040.12(e). Pursuant to CA Public Resources Code §5097.95, the NAHC requests that pertinent project information be provided consulting tribal parties. The NAHC recommends *avoidance* as defined by CEQA Guidelines §15370(a) to pursuing a project that would damage or destroy Native American cultural resources and Section 2183.2 that requires documentation, data recovery of cultural resources.

Furthermore, the NAHC if the proposed project is under the jurisdiction of the statutes and regulations of the National Environmental Policy Act (e.g. NEPA; 42 U.S.C. 4321-43351). Consultation with tribes and interested Native American consulting parties, on the NAHC list, should be conducted in compliance with the requirements of federal NEPA and Section 106 and 4(f) of federal NHPA (16 U.S.C. 470 *et seq*), 36 CFR Part 800.3 (f) (2) & .5, the President's Council on Environmental Quality (CSQ, 42 U.S.C 4371 *et seq.* and NAGPRA (25 U.S.C. 3001-3013) as appropriate. The 1992 *Secretary of the Interiors Standards for the Treatment of Historic Properties* were revised so that they could be applied to all historic resource types included in the National Register of Historic Places and including cultural landscapes. Also, federal Executive Orders Nos. 11593 (preservation of cultural environment), 13175 (coordination & consultation) and 13007 (Sacred Sites) are helpful, supportive guides for Section 106 consultation. The aforementioned Secretary of the Interior's *Standards* include recommendations for all 'lead agencies' to consider the historic context of proposed projects and to "research" the cultural landscape that might include the 'area of potential effect.'

Confidentiality of "historic properties of religious and cultural significance" should also be considered as protected by California Government Code §6254(r) and may also be protected under Section 304 of he NHPA or at the Secretary of the Interior discretion if not eligible for listing on the National Register of Historic Places. The Secretary may also be advised by the federal Indian Religious Freedom Act (cf. 42 U.S.C., 1996) in issuing a decision on whether or not to disclose items of religious and/or cultural significance identified in or near the APEs and possibility threatened by proposed project activity.

Furthermore, Public Resources Code Section 5097.98, California Government Code §27491 and Health & Safety Code Section 7050.5 provide for provisions for inadvertent discovery of human remains mandate the processes to be followed in the event of a discovery of human remains in a project location other than a 'dedicated cemetery'.

To be effective, consultation on specific projects must be the result of an ongoing relationship between Native American tribes and lead agencies, project proponents and their contractors, in the opinion of the NAHC. Regarding tribal consultation, a relationship built around regular meetings and informal involvement with local tribes will lead to more qualitative consultation tribal input on specific projects.

Finally, when Native American cultural sites and/or Native American burial sites are prevalent within the project site, the NAHC recommends 'avoidance' of the site as referenced by CEQA Guidelines Section 15370(a).

If you have any questions about this response to your request, please do not hesitate to contact me at (916) 653-6251.

Sincerely,

Dave Singleton
Program Analyst

Cc: State Clearinghouse

Attachment: Native American Contact List

Antelope Valley Air Quality Management District
43301 Division St., Suite 206
Lancaster, CA 93535-4649

661.723.8070
Fax 661.723.3450

Eldon Heaston, Executive Director

In reply, please refer to AV0612/059

RECEIVED
JUN 22 2012

June 21, 2012

Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550

Project: Negative Declaration Butte County - Palmdale Water District State Water Project Table A Water Transfer

The Antelope Valley Air Quality Management District reviewed the submitted document and agrees there is no air quality impact as a result of this project. Transfer of the water would not conflict with the implementation of any air quality attainment plans in Butte County, or the Antelope Valley/Los Angeles County. The project would make use of existing SWP infrastructure for conveyance water. Therefore, there would not be a cumulatively considerable net increase of any criteria pollutants, nor would it expose any sensitive receptors to pollutants or create objectionable odors.

Thank you for the opportunity to review this planning document. If you have any questions regarding this letter, please contact me at (661) 723-8070 x2.

Sincerely,

Bret Banks
Operation Manager

Printed on recycled paper

Clean Cities
Antelope Valley

MEMORANDUM

TO: **Board of Directors of the Palmdale Water District**

FROM: **Jon Pernula, Water and Energy Resource Manager**

SUBJECT: **Amendments to the Initial Study/ Negative Declaration for the Butte County – Palmdale Water District Multi-Year State Water Project Table A Water Transfer; SCH#2012051063**

DATE: **July 10, 2012**

Honorable Board Members:

Upon review of the IS/ND, PWD Counsel provided minor clarifications and edits to the IS/ND. These changes are detailed below. The incorporation of this information into the IS/ND does not change the significance of any of the environmental discussions and is provided for informational purposes only.

Amendments to the IS/MND

Revisions, amendments, items of clarification that are being incorporated into the IS/ND are presented below.

Amendments to the Initial Study/ Negative Declaration for the Butte County – Palmdale Water District Multi-Year State Water Project Table A Water Transfer Project are contained herein. Additions/clarifications are identified by underlined text and deletions are indicated by ~~strikethrough~~.

The following sections of the Negative Declaration are amended as set forth on the following pages:

Page 9, second paragraph under the heading *Butte County's Table A Water Availability and Transfer*, the following information has been added regarding the Westside Districts for clarification purposes.

> Therefore, Butte County is entering into multi-year long-term Table A transfer agreements with the PWD (the proposed project evaluated in this document), and the Westside Districts, (for which a separate environmental evaluation is being conducted). The Westside Districts are also pursuing a multi-year agreement (a two-year agreement and an eight-year agreement), with an option for multiple additional 5-year extensions, to transfer a portion of Butte County's unused SWP Table A amount. The intent of the agreement is to improve the Westside Districts' water supply reliability and to help meet its existing agricultural water demands for farmed acreage during the term of the proposed project. The Westside Districts' transfer would include the water derived annually from 14,000 AF of Butte County's Table A amount, and a portion of any additional unused water Butte County may have in any particular year.

The Westside Districts consist of the following five water districts:

- Berrenda Mesa Water District (BMWD)
- Belridge Water Storage District (BWSD)
- Lost Hills Water District (LHWD)
- Wheeler Ridge–Maricopa Water Storage District (WRMWSD)
- Dudley Ridge Water District (DRWD)

Page 10, Table 1, in the table notes, item number "1," the following information is added for clarification purposes:

> [1] PWD has a long-term contract with DWR for 21,300 AFA of SWP Table A water. The SWP Delivery Reliability Report 2011 projects an average annual delivery of 60 percent. Additionally, as of April 16, 2012, DWR announced that SWP contractors would receive 60 percent of allotted Table A amounts in the 2011-2012 water year.

Page 11, last paragraph, the following information has been added for clarification purposes:

> The District anticipates that its groundwater production in the Antelope Valley Groundwater Basin will increase and remain at a constant 12,000 AFA by 2015. The Antelope Valley Groundwater Basin is currently in the midst of an adjudication proceeding, and it is possible that PWD's ability to produce groundwater in the future may be limited and/or subject to monetary assessment.

Page 12, second paragraph, under the heading *Turn-Back Water Pool,* the following information has been revised:

> This transfer would be a direct, bi-lateral agreement between Butte County and PWD, ~~DRWD and Butte County and KCWA~~, consistent with the terms provided in the Agreement in Principle between Butte County and DWR in response to the proposed settlement of litigation in Sacramento Superior Court Case Number 34-2008-00016338 CU-BC-GDS, Solano County Water Agency, et al. v State of California Department of Water Resources et al., commonly referred to as Area of Origin litigation.

Page 17, Discussion a-d), second sentence, the following typographical error has been corrected:

> Currently, because Butte County does not use its full Table A allocation, unused Butte County Table A water has ~~have~~ historically been sold through the Turnback Pool and conveyed through the SWP system for delivery to other SWP water contractors under the baseline condition.

Page 19, Discussion a-e), last sentence, the following information has been added for clarification purposes:

Conversely, the water source does not constitute a reliable long-term supply that would justify expanding municipal, residential or industrial uses within the PWD to the detriment of existing agricultural use.

Page 20, Setting, first sentence of the second paragraph, the following words have been replaced with PWD:

PWD ~~The proposed project~~ is located in the western portion of the Mojave Desert Air Basin (MDAB.)

Page 22, Setting, first full paragraph, second sentence, the following has been added for clarification purposes:

Land uses in the project area include developed (e.g., residential, commercial, industrial, institutional), limited agricultural and open spaces containing native habitats.

Page 30, Discussion b), second paragraph, the following has been added for clarification purposes:

To meet water demands and water supply goals, PWD uses 40 percent groundwater. The District has pumping capability to extract more groundwater to meet demand; however, the local groundwater basins are in overdraft, although the basin is not adjudicated (PWD, 2011a), although the adjudication of the basins is now in progress, and the result of those proceedings may limit PWD's ability to produce groundwater, or may result in monetary assessments placed on that production.

Page 30, Discussion b), second paragraph, last sentence, the following has been added for clarification purposes:

The proposed project is a multi-year agreement, rather than a permanent transfer, and therefore would not preclude the County from implementation of General Plan Policy W-P2.4 and Action Item, W-A3.3.

Page 30, Discussion b), fourth paragraph, last sentence, the following has been added for clarification purposes:

Implementation of the project would not conflict with any applicable land use plan, policy, or regulation of any agency with jurisdiction over the project. The project is also consistent with PWD's pending Strategic Water Resources Plan.

Page 35, Discussion a-c), fourth sentence, the following typographical error has been corrected:

The project would not replace PWD's ~~District's~~ supplies or augment supplies long-term.

Page 44, second paragraph, starting with the third sentence, the following edits have been made for clarification purposes:

> Butte Water District has a small (5,350 AF) amount of in-lieu pumping in the Sutter County portion of their District. Additionally, Conaway Ranch Development is proposing to transfer water developed through a combination of crop-idling and crop-shifting. Water made available through crop-idling and crop-shifting will be made available on the same pattern it would have been consumptively used in the absence of the transfer. South Feather Water and Power Agency is proposing to make storage releases and South Sutter Water District is proposing a groundwater substitution transfer involving the increased use of groundwater pumping and the release of an equivalent amount of surface water. Browns Valley ~~I~~Irrigation District is proposing to transfer water made available through installation of conservation facilities.