

REVISED NOTICE OF PREPARATION OF DRAFT PROGRAMMATIC ENVIRONMENTAL IMPACT REPORT

Date: June 18, 2024

To: Responsible Agencies, Interested Parties, and Organizations

Subject: Revised Notice of Preparation of a Programmatic Environmental Impact Report for the Sacramento Regional Water Bank

Location: North American Subbasin and South American Subbasin; Sutter, Placer, and Sacramento Counties, California

The Regional Water Authority (RWA), as the lead agency under the California Environmental Quality Act (CEQA) process for the proposed Sacramento Regional Water Bank (Project). RWA is a Joint Powers Authority representing approximately two dozen water agencies and affiliates in the greater Sacramento region. RWA determined the need to prepare a Draft Programmatic Environmental Impact Report (Draft PEIR). RWA previously issued a Notice of Preparation (NOP) (State Clearinghouse No. 2023090528) for the Project in September 2023, to obtain public input on the scope and content of the environmental information to develop a Draft Environmental Impact Report. The Project at that time did not include out-of-basin water transfers as an initial component. Water transfers have been identified as a potential action associated with the Project. Therefore, additional scoping is being conducted to solicit input by federal, state, and local public agencies; non-governmental organizations; and the general public as to the scope and content of the Draft PEIR. Most of the information contained in this revised NOP is the same as was contained in the previous NOP but is repeated here in the attachment.

If your agency is a responsible agency, as defined in Section 15381 of the CEQA Guidelines, your agency will need to use the environmental documents prepared by RWA when considering issuance of a permit or approval of an action.

Due to the limits mandated by California law, comments should be submitted as soon as possible, but no later than August 2, 2024, or 45 days after receipt of this notice per CEQA Guidelines Section 15082(b). Please send your written comments, along with your name and, if applicable, the name of your agency and contact person, to:

Regional Water Authority
2295 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833
Attention: Raiyna Villasenor

Comments can also be emailed to waterbankinfo@rwah2o.org.

If you have any questions regarding this NOP, please contact Raiyna Villasenor by mail or email as noted above. For general information about the Project, please visit the website at: <https://sacwaterbank.com>.

Project Title

Sacramento Regional Water Bank

Lead Agency Name and Address

Regional Water Authority
2295 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833

Contact Person and Phone Number

Trevor Joseph
Manager of Technical Services
(916) 967-7692

Introduction

The Regional Water Authority (RWA) is a Joint Powers Authority representing approximately two dozen water providers and affiliates in the greater Sacramento-Placer region. As the lead agency, RWA is proposing to establish the Sacramento Regional Water Bank (Project), which would coordinate and expand the conjunctive use¹ practices of its member agencies within the North and South American Subbasins. The goal of the Project is to enhance water supply reliability for local communities and to contribute to ecosystem function on the lower American River.

Project History and Background

As recently as the mid-1990s, many of the Sacramento-Placer region's water suppliers relied predominantly on one source of water as their primary supply—either surface water or groundwater. Historical use of groundwater has resulted in groundwater level declines within the Subbasins, so the availability of groundwater as a dry-year alternative required changes to the way groundwater was managed.

To better manage groundwater resources, some water suppliers invested significant capital funds to construct facilities and take other required actions to access and use surface water in wetter years. The Cooperative Transmission Pipeline in northern Sacramento County and the Freeport Regional Water Project in central Sacramento County are examples of such investments.

In central Sacramento County, the completion of the Freeport Regional Water Project in 2010 steadied and improved groundwater levels by bringing surface water to areas previously served exclusively by groundwater. In northern Sacramento County and southern Placer County, the Sacramento Suburban Water District partnered with the Placer County Water Agency and the City of Sacramento to implement a large-scale conjunctive use program in the American River basin. Since the late 1990s, the Sacramento

¹ Conjunctive Use is the coordinated use of both surface water and groundwater to maximize total water availability in a region.

Groundwater Authority estimates more than 400,000 acre-feet of surface water was delivered to offset groundwater use in the underlying basin and provided in-lieu recharge.

At the same time, water suppliers that were dependent primarily on surface water invested in infrastructure that added groundwater to their supply mixes (i.e., Citrus Heights Water District and Fair Oaks Water District). Investments in infrastructure—expanding the capacity to divert and treat surface water, increasing the ability to pump groundwater, and interconnecting the two sources—and ongoing modified operations have effectively turned the North and South American Subbasins into a large storage reservoir.

Even with the improvements described above, additional actions were necessary to address the immediate and long-term effects on water supply that was caused by the drought period of 2013–2015. Drought response included construction of new groundwater wells and rehabilitation of existing wells that increased groundwater production capacity by about 15 million gallons per day; construction of a series of interconnections and booster pumps to increase the ability to move water between water supplier service areas; and improvements at two of the region’s largest surface water diversions (i.e., the Fairbairn and Sacramento River intakes) to allow diversions to continue during times of extremely low flows in local rivers. This expanded ability to serve the public through groundwater allowed for increased surface water releases from Folsom Reservoir, which improved flows for coldwater fish habitat in the lower American River during the 2013–2015 drought period.

Need for the Project

Despite these past efforts, there is room to improve regional water supply reliability, especially during periods of prolonged drought. Through several planning studies and water management efforts, the expansion of conjunctive use has been identified as a high-priority need to supplement other water management actions in the region (including demand management and conservation), thereby increasing drought resilience, maintaining water supply reliability, supporting long-term groundwater sustainability, adapting to climate change, and contributing to healthy ecosystem functions.

The Regional Water Reliability Plan identified the establishment of a regional water bank as a necessary institutional mechanism to facilitate and incentivize expansion of conjunctive use. A water bank would establish governance and water accounting for efficient and transparent oversight of conjunctive use activities. The approved Groundwater Sustainability Plans for the North and South American Subbasins also identified the establishment of a regional water bank as a key management action for continued groundwater sustainability. The American River Basin Study identified federal acknowledgment of the water bank as providing an opportunity to maximize recharge using Central Valley Project (CVP) water across the entire North and South American Subbasins.

Project Location

Project operations would be contained within the North and South American Subbasins (see Figure 1). The North American Subbasin encompasses about 342,000 acres (534 square miles) in Sutter, Placer, and Sacramento Counties and is bounded by the Bear River to the north, the Feather and Sacramento Rivers to the west, the American River to the south, and the Sierra Nevada foothills to the east. The South American Subbasin encompasses about 248,000 acres (388 square miles) in Sacramento County

and is bounded by the American River to the north, the Sacramento River to the west, the Cosumnes and Mokelumne Rivers to the south, and the Sierra Nevada foothills to the east.

Although Project operations would primarily occur within both Subbasins, potential Project effects on the CVP, State Water Project, and Sacramento-San Joaquin Delta operations will also be assessed.

Description of Project

The Project includes the following elements:

- Coordinate and expand the conjunctive use practices of RWA members that choose to participate (Participating Agencies), and establish governance, accounting, and other protocols to conduct a regional groundwater banking program.
- Establish a Water Accounting System to track groundwater recharge (deposits) and extraction (withdrawals) associated with the Project to ensure proper and transparent accounting of banked balances. The Project would include annual recharge of up to 65,000 acre-feet or annual recovery of up to 55,000 acre-feet.
- Conduct transfers of up to 55,000 AF per year from the recovered banked water to potential buyers in the CVP/State Water Project place of use (including both in-basin and out-of-basin transfers). The transfers would involve single-year transfers during the period of multi-year agreement(s) with potential Banking Partners (or buyers). Transfers of surface supplies would be subject to the approval of Participating Agencies with authority over such supplies, which may be subject to additional project specific CEQA review.

Additionally, as a separate future action under the National Environmental Policy Act, it is anticipated that RWA will seek approval of the Project as an acknowledged facility for the banking of CVP water by the U.S. Department of the Interior, Bureau of Reclamation (Reclamation).

The Project would not include construction activities, nor would it seek modifications to permits and other regulatory requirements that govern the Participating Agencies' operations. Elements excluded from the Project are as follows:

- Project operations would rely on facilities owned and operated by the Participating Agencies. This Project doesn't authorize construction of facilities.
- No changes to surface water rights or contract supplies are proposed or would be authorized through the Project. All water banking operations would be subject to each Participating Agency's existing water rights terms and conditions, diversion limits, minimum flow requirements, agency-specific commitments under the Water Forum Agreement, and all other regulatory and environmental requirements and commitments.

RWA does not own or operate any facilities, nor does it hold surface water rights or water supply contracts. The Participating Agencies would use their existing surface water rights and contract supplies for Project operations. RWA would coordinate Project operations and enter into all necessary contracts and arrangements with the Participating Agencies.

During hydrologically preferential periods, RWA would coordinate with Participating Agencies to 1) deliver surface water for in-lieu and/or direct recharge from the American River upstream of Folsom Reservoir, at Folsom Reservoir, from the American River downstream of Folsom Reservoir, and/or from the Sacramento River; or 2) extract previously banked groundwater for delivery to Participating Agencies. Extracted groundwater would offset equivalent quantities of surface water that would instead be retained in Folsom Reservoir and/or released as flow in the lower American River and downstream.

Potential Environmental Impacts to Be Considered

RWA will prepare a Draft Environmental Impact Report to analyze potential environmental consequences of implementing the Project. Topics to be analyzed in the Draft Environmental Impact Report may include but may not be limited to:

- Biological Resources
- Energy
- Greenhouse Gases
- Hydrology and Water Quality
- Land Use
- Population and Housing
- Recreation
- Tribal Cultural Resources
- Utilities and Service Systems

Other Agencies Whose Approval May Be Required

Other agencies may have responsibility for carrying out approvals for the Project, including the following:

- California Department of Fish and Wildlife
- California Department of Water Resources
- California Regional Water Quality Control Board
- National Marine Fisheries Service
- State Water Resources Control Board
- U.S. Department of the Interior, Bureau of Reclamation

Revised Notice of Preparation
 Sacramento Regional Water Bank

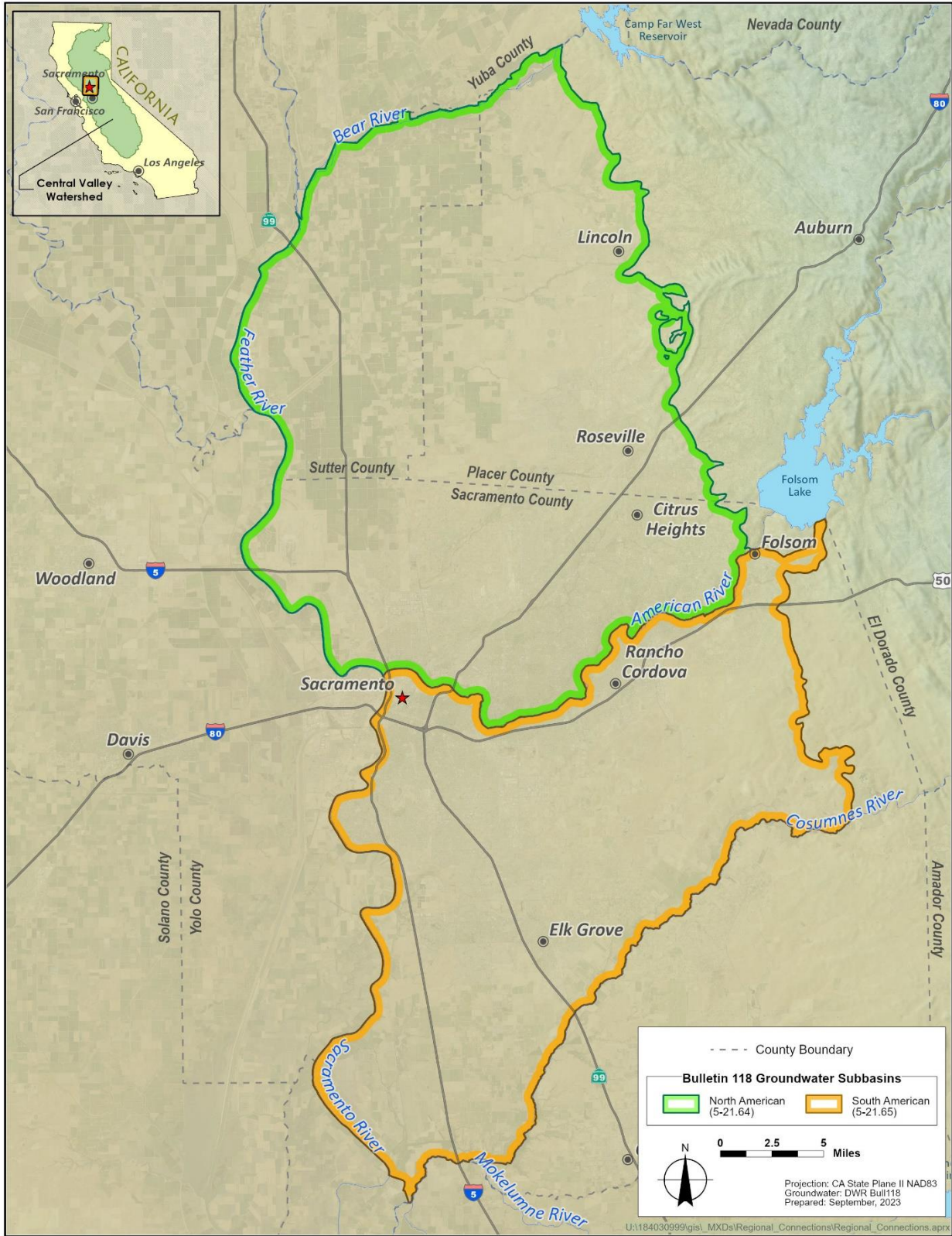


Figure 1. Sacramento Regional Water Bank Project Area