



# Notice of Preparation

To: State Clearinghouse, Responsible Agencies,  
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(Agency)

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(Address)

From: Semitropic Water Storage District

(Agency)

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## Subject: Delta Wetlands Project Place of Use Environmental Impact Report

The Semitropic Water Storage District (Semitropic) is proposing the Delta Wetlands Project (Project). Semitropic is a public water agency located in Kern County that provides water to nearly 300 customers for the irrigation of approximately 140,000 acres for agricultural uses. The Project would provide water to Semitropic to augment its water supply, would bank water within the Semitropic Groundwater Storage Bank and Antelope Valley Water Bank, and would provide water to other places of use described below.

The Project has five basic parts: diversion of water in the Sacramento–San Joaquin River Delta (Delta), water storage on two Delta islands, habitat creation, supplemental water storage in groundwater banks south of the Delta, and provision of water supply for south-of-Delta users. The primary aspects of the Project are substantially unchanged from the Project as analyzed in the Final Environmental Impact Report (EIR) issued by the State Water Resources Control Board (State Water Board) in January 2001 (SCH#1988020824) and the Final Environmental Impact Statement (EIS) issued by the U.S. Army Corps of Engineers (Corps) in July 2001 (66 Fed Reg 40698 (2001)). The portions of the Project that remain unchanged are not within the scope of this EIR.

In compliance with *Central Delta Water Agency v. State Water Resources Control Board*, 124 Cal.App.4th 245 (2004), the water supply portion of the Project has been revised to identify specific places of use of water. Groundwater banking capability south of the Delta has also been added to the Project to provide additional water supply reliability and operational flexibility in the provision of water to the places of use. Petitions to change the Project’s water rights applications to add places of use and places of underground storage have been filed with the State Water Board. Accordingly, the scope of this California Environmental Quality Act (CEQA) analysis focuses primarily on the changes to the Project description proposed in the petitions for change regarding specific places of use for Project water, estimated diversion amounts, beneficial uses, means of transfer, and storage of water in groundwater banks. This CEQA analysis will also update the 2001 Final EIR to consider new information or changed circumstances, including new listings and changes in the status of threatened and endangered species.

Semitropic, acting as lead agency under CEQA, has determined that an EIR will be prepared. Responsible and trustee agencies under CEQA are likely to include the State Water Resources Control Board; Central Valley Regional Water Quality Control Board; California Department of Water Resources; California Department of Fish and Game; California Department of Transportation; Bay Area Air Quality Management District; San Joaquin Valley Unified Air Pollution Control District; Reclamation Districts 756 (Bouldin Island), 2025 (Holland Tract), 2026 (Webb Tract), and 2028 (Bacon Island); California State Lands Commission; California State Office of Historic Preservation; Native American Heritage Commission; Delta Protection Commission; San Joaquin County; Contra Costa County; San Bernardino Valley Municipal Water District; Western Municipal Water District of Riverside

County; and The Metropolitan Water District of Southern California. Federal agencies that may be involved in the action include the U.S. Fish and Wildlife Service; U.S. Department of the Interior, Bureau of Reclamation; National Marine Fisheries Service; U.S. Environmental Protection Agency; and the U.S. Army Corps of Engineers.

The following sections provide a general description of the Project and identify the specific changes to the Project that will be within the scope of this CEQA analysis. This NOP also presents the environmental factors potentially affected by the proposed project and the environmental topics expected to be addressed in the EIR, and provides the schedule and location of the public scoping meetings.

## **Project Background and History**

The Project, through private party initiative, first filed water right applications with the State Water Board and a Clean Water Act Section 404 permit application with the U.S. Army Corps of Engineers in 1987. Through agency coordination, public review, and recent partnerships with water users, the Project has gone through several iterations.

Since the early 1990s, the Project has been designed to involve diverting and storing water on two Delta islands (Webb Tract and Bacon Island, or “reservoir islands”) and to divert water seasonally to create and enhance wetlands and to manage wildlife habitat on two other islands (Bouldin Island and most of Holland Tract, or “habitat islands”)(Figure 1). The stored water would be provided to potential users within the Central Valley Project (CVP) and State Water Project (SWP) service areas. Because the Project was proposed by a private applicant, the State Water Board, as key state regulatory agency for project approval, was deemed lead agency for CEQA compliance purposes. The Corps, the key federal regulatory agency for project approval, was lead agency for National Environmental Policy Act compliance purposes. The Draft EIR/EIS was released in September 1995. A Revised Draft EIR/EIS was released in May 2000 providing additional information on water rights and water supply issues. A Final EIS was issued in July 2001, and the Clean Water Act Section 404 permit was issued by the Corps to the Project later that year. A Final EIR was issued in January 2001. In February 2001, the State Water Board issued Water Right Decision 1643 approving the water right applications, and certified the Final EIR (SCH#1988020824). The State Water Board issued water right permits for the Project in June 2001. In April of 2002, the Sacramento County Superior Court rejected legal challenges to the Project.

The Third District Court of Appeal in *Central Delta Water Agency v. State Water Resources Control Board*, 124 Cal. App. 4th 245 (2004), affirmed the Superior Court decision in nearly every respect, but set aside the water right permits for failure “to specify an actual use of and the amounts of water to be appropriated.” The Court required that the “actual, intended” buyers of the water, and not potential users, be identified in amended water right applications before the State Water Board can issue revised permits. The Court also held that “the CEQA determination is reversed subject to the inclusion of an environmental analysis ... when the end users are provided in an amended permits [sic].”

In accordance with the Court of Appeal decision, the State Water Board in Order WR 2005-0023-EXEC set aside Resolution 2001-25 certifying the 2001 Final EIR and Decision 1643 issuing water right permits.

In June 2007, the Project entered into an agreement with the Semitropic Water Storage District whereby Semitropic agreed to carry out the Project and to replace the State Water Board as the CEQA lead agency. Pursuant to that agreement, Project water shall be provided to Semitropic for irrigation purposes within its service area, Semitropic shall identify other places of use for the Project water, and Semitropic shall

integrate the Semitropic Groundwater Storage Bank into Project operations to provide additional water supply reliability and operational flexibility in the provision of water to the places of use.

The Project has also entered into agreements for the provision of Project water to the Valley Mutual Water Company (Valley Mutual) for irrigation purposes and for the banking of Project water in the Antelope Valley Water Bank, which underlies land served by Valley Mutual Water Company and for the provision of Project water to Golden State Water Company (Golden State) for municipal and industrial and domestic purposes.

The Project is also investigating other potential users of Project water. The Project has identified the San Bernardino Valley Municipal Water District (Valley District), the Western Municipal Water District of Riverside County (Western), and the member agencies within The Metropolitan Water District of Southern California (Metropolitan) as likely places of use of Project water. The likely places of use would receive Project water through direct delivery or delivery from groundwater banks. Water delivered to Valley District may also be used to replenish the Yucaipa groundwater basin, the San Bernardino Basin Area, or the Rialto/Colton groundwater basin, either directly or by means of in-lieu recharge. Water delivered to Western may also be used to replenish the Riverside or Arlington groundwater basins, either directly or by means of in-lieu recharge.

The Project will submit petitions to change water right Application Nos. 29062, 29066, 30268, and 30270 to identify specific places of use and places of underground storage, as described in more detail below.

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## **Proposed Project**

### **Project Purpose**

The overall purpose of the Project is to increase the availability of high-quality water in the Delta for export or outflow by storing water on two reservoir islands; and by doing so increase the reliability of water supplies for existing users, including that for Semitropic, Valley Mutual, Golden State, and other places of use. Further, the Project will compensate for wetland and wildlife effects of the water storage operations on the reservoir islands (Webb Tract and Bacon Island) by implementing a habitat management plan (HMP) on two habitat islands (Bouldin Island and Holland Tract).

The Project purpose will be met by diverting Delta inflow during times of surplus (after all water quality or flow requirements for the Bay-Delta estuary are met). The diverted water will be stored on the reservoir islands until released for redirection and conveyance using SWP and CVP facilities to south-of-Delta users, including users within Semitropic's service area and the other specified places of use; or for banking within the Semitropic Groundwater Storage Bank or Antelope Valley Water Bank or other groundwater basins within the specified places of use for later delivery to the places of use; or released to enhance water quality, outflow, and fish and wildlife in the Bay-Delta estuary. No infrastructure or facilities, other than those already described in the State Water Board 2001 Final EIR (SCH#1988020824), are proposed to convey Project water to the places of use. Water would be delivered via existing and previously approved facilities operated and maintained by the SWP, CVP, and those within the proposed places of use. The operation and construction of the water banks have been separately analyzed in the Antelope Valley Water Bank Final EIR (SCH#2005091117), Semitropic Groundwater Banking Project Final EIR (SCH#1993072024), and Semitropic Groundwater Bank Stored Water Recovery Unit Final Supplemental EIR (SCH#1999031100). Accordingly, the operation and construction of the Semitropic Groundwater Storage Bank or Antelope Valley Water Bank is not analyzed in this Project. As noted above, the Project would provide managed wetlands and wildlife habitat areas. Additionally, the Project would accommodate recreation uses.

New purposes of the Project are to provide Project water to improve the reliability of the existing water supplies for Semitropic, Golden State, Valley Mutual, and other likely users of water, and to maximize the provision of water for the places of use by storage of surplus Project water in the Semitropic Groundwater Storage Bank and Antelope Valley Water Bank for later delivery to the places of use for direct use and groundwater replenishment.

## **Project Elements**

As described in the State Water Board 2001 Final EIR, (SCH#1988020824), the Project would consist of the following elements:

- installation of diversion and discharge infrastructure (siphons and pump stations);
- levee improvements to protect water storage and managed habitat facilities, and to improve reservoir island structural integrity;
- operation and maintenance of the Project for diversion, discharge, and habitat management;
- maintenance and support of recreation facilities for boating and hunting; and
- provision of Project water to improve the reliability of the existing supplies of water for irrigation, municipal, industrial and domestic purposes to specifically identified places of use.

Conveyance of the water to the proposed places of use using existing and previously approved facilities operated and maintained by the SWP, CVP, and those within the places of use. No additional facilities would be required to deliver Project water to the specified places of use.

Water banking capability has also been added to the Project. This new element of the Project entails banking of Project water in the Semitropic Groundwater Storage Bank and Antelope Valley Water Bank for later use by Semitropic, Valley Mutual, Golden State Water Company, and other likely users. The operation and construction of the Semitropic Groundwater Storage Bank and Antelope Valley Water Bank have been analyzed in prior EIRs and are not within the scope of this EIR.

## **Location and Setting**

### **Reservoir and Habitat Islands**

Figure 1 shows the Project location. The reservoir and habitat features of the Project are located in the central portion of the Delta, on the islands known as Bacon Island, Bouldin Island, Holland Tract, and Webb Tract. The interconnected waterways around the islands include the Mokelumne River, Potato Slough, San Joaquin River, False River, Old River, Connection Slough, Middle River, Holland Cut, and Sand Mound Slough.

The City of Sacramento is roughly 35 miles north of the Project and the City of Stockton is roughly 15 miles southeast. The reservoir and habitat features of the Project overlap San Joaquin County and Contra Costa County. State Route (SR) 12 crosses Bouldin Island, SR 160 is to the west, SR 4 is to the south, and Interstate 5 is to the east.

This area of the Delta is primarily characterized by corporate agriculture (annual crops) and recreational use on the interconnected waterways (such as fishing and boating).

