



Topic: **Authority Board Agenda Item 3-5**

2018 Aug 20

Subject: **Maxwell Water Intertie Loan Application - CEQA**

Requested Action:

No action requested.

Detailed Description/Background:

The Sites Project Authority's General Counsel and staff have evaluated the loan application, and the potential approval of the loan from the US Department of Agriculture for the Maxwell Water Intertie project (MWI). Considering the whole record evaluated, the MWI under evaluation by the USDA does not commit the Sites Project Authority to a definite course of action on the MWI project and is therefore not a project as defined by the California Environmental Quality Act.

The proposed action is not defined as a project under CEQA because it involves government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). The Authority retains full discretion to not approve any particular project, to adopt mitigation measures, and to adopt project alternatives. The submittal of the application to the USDA is also not a project under CEQA because it involves continuing administrative activities - Section 15378(b)(2).

The CEQA determination is: Determine that the proposed action is not defined as a project under Sections 15378(b)(4) and 15378(b) (2) of the State CEQA Guidelines. The MWI Project, if approved and constructed, would increase the efficiency and reliability of agricultural water management in the western Sacramento Valley and increase the drought resistance of rural communities. The Sites Project Authority has applied to the USDA for a loan to assist in the financing of the MWI. The Authority approved the filing of this application on July 16, 2018.

In the event the USDA approves the Authority's loan application, a number of conditions would need to be fulfilled before the closure of the loan and before the Authority could draw down funds from the loan for the MWI Project. Following completion and acceptance of those conditions, including additional analyses to refine the size of the project, additional details of the financing and participation and any other details (including a detailed analysis of the refined project compliant with the CEQA and the granting of applicable permits) the Authority would construct and operate a water intertie between two regional canal systems.

Prior Authority Board Action:

The Sites Project Authority Board of Directors approved the submittal of the loan application to USDA for the MWI project at its July 16, 2018 meeting.

Fiscal Impact/Funding Source:

The cost for the preparation of the loan application and associated documents required by the USDA were approved by the Authority as part of the Phase 1 re-budgeting item approved on June 18, 2018.

Staff Contact:

Rob Thomson/Kevin Spesert

Attachments:

None.