

# **STAFF REPORT**

## *City Council Business Item*

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**DATE:** July 17, 2023

**TO:** Honorable Mayor and Council Members

**FROM:** Brendan Byrd, Public Works Director/City Engineer

**THROUGH:** Merritt Perry, City Manager

**SUBJECT:** **Approve of an Addendum to the Initial Study/Mitigated Negative Declaration of Environmental Impact, for the Wastewater Treatment and Effluent Percolation System Upgrade Project; *Resolution 2023-20***

### **STAFF RECOMMENDATION:**

Adopt *Resolution 2023-20* approving and adopting an Amendment to the Mitigated Negative Declaration of Environmental Impact, CEQA Findings, and Mitigation Monitoring and Reporting Program for the Wastewater Treatment and Effluent Percolation System Upgrade Project.

### **EXECUTIVE SUMMARY:**

Since 2017, the City has been under a time schedule order (TSO) and compliance schedule to complete a number of improvements to the City's wastewater treatment and disposal system. The two biggest improvements the City has been working towards include the addition of a new nitrogen removal process at the existing treatment plant, and the construction of a new subsurface treated effluent percolation field on the western uplands of the Eel River, approximately 1-mile west from the City's existing treated effluent percolation ponds. The concept design for the project was completed in early 2020, and the project's Initial Study and Mitigated Negative Declaration (ISMND, CEQA document) was adopted in July 2020.

Over the next several years, staff worked with the City's engineering consultants to develop the project design, including most notably the components referenced above. However, in late 2021 as design staff were working on the Report of Waste Discharge, it came to the attention of the design team that the proposed treated effluent percolation field across the river was likely to result in the same impacts as the existing percolation ponds long-term. In summary, the finding during the detailed analysis of the design indicated that the Eel River groundwater/surface water basin has such a high level of seasonal interaction that after a few years, the proposed percolation system would be expected to result in the same amount of interaction with surface waters as the current percolation ponds.

Since determining that the proposed treated effluent percolation field was likely an infeasible alternative to deal with the City's treated effluent long-term, staff have been working with the Regional Board and specifically with the Basin Planning Unit to determine reasonable next steps for the project and for a path to compliance for the City. Both City staff and Regional Board staff feel that the best and most robust path forward to deal with the compliance issues would be for the City to pursue the triennial review process, which if successful could allow the City to continue

operating the existing percolation ponds for treated effluent discharge during the summertime discharge prohibition (May 15<sup>th</sup> to September 30<sup>th</sup>). As part of the triennial review process, the City would be required to demonstrate through scientific studies that the City's treated effluent does not result in negative impacts to beneficial uses in the Eel River basin, and that the City's effluent can at least provide one reasonable enhancement to beneficial uses. Staff and our engineering consultants are currently working on a plan for completing triennial review data gathering and special studies, and the Regional Board plans to take the City's project to their board later this summer.

In order for the City to continue using the percolation ponds, it is likely that some additional modifications to unit processes inside the treatment plant will be required to further increase treated effluent quality. These possible improvements would be determined from the findings of the special studies conducted to support the triennial review process, and could include phosphorus removal, UV disinfection, or post-secondary filtration. As some members of the council may recall, a number of these processes were discussed in the previous project in 2020. However, as they were not part of the initial compliance project, which the ISMND was based on, these improvements, were not described in the 2020 ISMND.

To allow the City the highest level of flexibility for the compliance project moving forward, staff worked collaboratively with our design consultants to develop an addendum to the 2020 ISMND. An addendum was deemed appropriate as under CEQA Section 15162, as these additions to the project description result in no circumstances requiring the preparation of a subsequent ISMND. The addendum, which is included as Attachment 1, provides additional description for the list of process modifications that could be made within the treatment plant itself, including:

- UV disinfection
- A phosphorus removal system (chemical or biological)
- New pumps and piping to convert the existing raw effluent overflow ponds to an automatic flow equalization system
- Improvements to the primary and secondary clarification system
- Improvements to the anaerobic digester gas treatment system
- Updates to the WWTP SCADA system
- Improvements to the plants electrical system, including possible solar panels and a new backup power generator

Describing these additional improvements in the ISMND is required for compliance under the California Environmental Quality Act, and would also be necessary should the City receive grant funding. The environmental review pertaining to the additional in-plant improvements is discussed below.

In addition to the triennial review process and the potential for expanding or modifying the definition of the project at the treatment plant, in the last year the State Board has modified the limits to the grant funding through the Clean Water State Revolving Fund (CWSRF), which is the grant program that the City applied to in 2021 to supplement project expenditures. When staff submitted the application, it was believed at the time that grant funding would be approximately \$5.5 million, however, the removal of the funding cap may mean that the majority or entirety of the City's project could be grant funded. Depending on the final definition of the project, which

will result in part through the studies conducted for triennial review, the project is anticipated to cost between \$20- and \$40 million. Staff are working diligently with the State and Regional Board to secure funding to the maximum extent available.

In summary, it is staff's recommendation that the council adopt *Resolution 2023-20*, which would approve the Addendum to the 2020 ISMND. With approval, staff would file an updated Notice of Determination (Attachment 2) for the project, and the ISMND would be updated. With the CEQA document updated to reflect the suite of possibilities available for project direction, staff and our engineers would be able to pursue all avenues available for the project, however they should materialize, and the City would be covered under CEQA.

### **Environmental Review**

Staff and our consultants evaluated the changes to the project description under the framework provided by CEQA and developed an addendum to include the additional components of the project at the treatment plant (attached). These changes do not result in any new significant impacts or additional proposed mitigations.

### **Public Review**

In accordance with CEQA Guidelines Section 15164, an Addendum need not be circulated for public review, and the decision-making body shall consider an Addendum prior to making a decision on the project. Additionally, due to the nature of the additional work being proposed, staff would not anticipate any comments on the additional work proposed for the project, as they all result in an increase in quality for the City's treated effluent, and no new environmental impacts have been identified.

### **FINANCIAL IMPACT:**

There is no immediate financial impact in approving this addendum.

### **RECOMMENDED COUNCIL ACTION:**

1. Receive staff presentation and review Council questions with staff;
2. Open public comment
3. Close public comment
4. Motion to adopt *Resolution 2023-20* and read by title only. Roll call vote;

### **ATTACHMENTS:**

- A. *Resolution 2023-20; A Resolution of the City Council of the City of Fortuna Approving a CEQA Addendum to the Mitigated Negative Declaration of Environmental Impact for the Wastewater NPDES Compliance Project.*
- B. Addendum to the 2020 ISMND
- C. Draft Notice of Determination

**RESOLUTION 2023-20**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FORTUNA**  
**APPROVING A CEQA ADDENDUM TO THE MITIGATED NEGATIVE**  
**DECLARATION OF ENVIRONMENTAL IMPACT FOR THE WASTEWATER NPDES**  
**COMPLIANCE PROJECT**

**WHEREAS**, the purpose of the NPDES Compliance Project is to address compliance issues related to effluent treatment and disposal by constructing treatment plant upgrades and a new disposal system to replace the City's existing percolation ponds;

**WHEREAS**, in 2020 the City of Fortuna Community Development Department Planning Division had prepared an Initial Study/Mitigated Negative Declaration ("ISMND") for the project which determined that potential impacts can be avoided or mitigated to a point where no significant effects would occur because revisions in the project plans and construction activities have been made and there is no evidence that the project may have a significant effect on the environment; reference is made to the approved Initial Study/Mitigated Negative Declaration for the particulars;

**WHEREAS**, the Notice of Determination was filed with the Humboldt County Recorder's Office for the Initial Study/Mitigated Negative Declaration on July 15, 2020, and the determination was not challenged;

**WHEREAS**, recent changes to the project may require additional improvements be completed in the treatment facility footprint and, accordingly, the newly identified improvements were neither described nor analyzed in the 2020 ISMND;

**WHEREAS**, under CEQA Section 15164, an addendum may be prepared to a previously adopted negative declaration if minor technical changes or additions are necessary or none of the conditions described in CEQA Section 15162 calling for the preparation of a subsequent negative declaration have occurred;

**WHEREAS**, the additional project components at the treatment plant have been analyzed under CEQA, and no new project impacts or mitigations have been identified nor have any of the conditions described in CEQA Section 15162 occurred;

**WHEREAS**, an addendum to the 2020 Initial Study/Mitigated Negative Declaration has been prepared, including all anticipated additional improvements at the treatment plant;

**WHEREAS**, the City Council finds that an addendum to the 2020 Initial Study/Mitigated Negative Declaration is appropriate in light of the nature of the additional project components, as more particularly set forth in the addendum;

**WHEREAS**, per CEQA Guidelines Section 15164(c), an addendum to a previously certified CEQA document need not be circulated for public review;

**WHEREAS**, per CEQA Guidelines Section 15164(d), the decision-making body shall consider an Addendum prior to making a decision on the project.

**NOW, THEREFORE**, the City Council of the City of Fortuna does hereby find, declare, and resolve that:

- 1) The above recital are incorporated herein as findings of the City Council;
- 2) The Addendum to the 2020 Initial Study/Mitigated Negative Declaration dated June 8, 2023, a copy of which is attached to this Resolution as ***Attachment A***, is hereby adopted and approved and all findings contained therein are hereby adopted as findings of the City Council;
- 3) Directs to City Clerk to file the Notice of Determination in the form attached hereto as Attachment B.

**PASSED AND ADOPTED** on this 17<sup>th</sup> day of July 2023 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Tami Trent, Mayor

ATTEST:

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Siana Emmons, City Clerk