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December 5, 2018

John Rowden, General Manager
Plumas Eureka Community Services District
200 Lundy Lane
Blairsden, CA 96103

RE: PECSD Arsenic Treatment Facility Environmental Documentation

Dear Mr. Rowden,

This letter is in regard to our recent conversations regarding environmental documentation for the State Water Board (SWB) loan application. We have prepared a scope and budget to prepare cultural and biological resource reports per SWB guidelines for your consideration; however, we would first like to outline the history of the work conducted to date and the relationship of such reporting requirements to projects that have been certified as CEQA exempt.

PECSD has been directed by the State to construct and operate an arsenic treatment facility to meet existing arsenic standards. Numerous sites within the District boundaries were considered, surveyed, and studied, to determine which site, if any, would result in no significant impact to the environment. HBA conducted site visits, reconnaissance surveys, records searches and research, prepared a checklist compliant with the CEQA Initial Study checklist to ensure all environmental topics were addressed by the analysis, and analyzed how the project could be designed to further ensure no significant impact would occur or potentially occur. Site visits occurred in December 2016 and September 2017, with record searches and outreach with the Native American Heritage Commission and local tribes conducted in December 2016 through 2017.

The site at 204 Lundy Lane was determined to have no unusual circumstances or protected resources that would prohibit the site from being categorically exempt from CEQA, and the site contains no unique or critical habitat, farmland, protected species, wetlands or waterways, archeological resources, floodplains, hazards or hazardous materials, and is not within a designated scenic area or highway. The site is a residential lot on which a single family dwelling could be built as a use by right, only requiring a building permit.

The selected site is flat and partially disturbed with a series of mailboxes, utility boxes, a shed, and a gravel parking area, with scattered trees and common grasses occupying the remainder of the site. Existing residences and the PECSD office surround the site. The site offers no habitat or migration value,

has no recreation value, involves only minor grading since the site is relatively flat, and has no mineral value. The Project itself does not produce significant waste, results in no increase in demand for services or utilities, does not emit pollutants, results in no change in noise or vibration beyond the property, has no traffic impact, and does not require significant fuel or water consumption. No protected resources were identified on the selected site, and PECSD ensured the project was designed to avoid any impacts.

The SWB Division of Financial Assistance brochure states, "All applicants for SRF financing must thoroughly analyze the environmental consequences of their project. Applicants must comply with CEQA and federal cross-cutting authorities as part of the SRF environmental review requirements." It further indicates applicants must provide the final, project specific environmental documents, associated reports, and other supporting materials demonstrating compliance with CEQA as part of the application's Environmental Package.

Since the project is categorically exempt from CEQA, formal reports and additional CEQA compliance are not required. CEQA does not require biological assessments or formal cultural resource reports for projects that are exempt from CEQA. The purpose of an exemption from CEQA is to avoid burdening projects that would not significantly impact the environment with the unnecessary cost of expensive reports and reviews that would conclude no significant impact to resources would occur. The Notice of Exemption (NOE) fulfills CEQA and the NOE is supported by the Findings (provided), which are based on the cultural resource and biological resource studies conducted and the environmental checklist that was prepared to ensure the project qualified for a NOE. The NOE and Findings were certified on May 23, 2018. Under CEQA law, NOEs have a statute of limitations of 35 days from when they are filed (CA Govt. Code Section 15062); therefore, the statute of limitations ended on June 27, 2018. Since the NOE and Findings have been certified and the statute of limitations has ended, no further environmental reporting is required. The NOE itself serves as CEQA compliance.

SWB and California Department of Public Health (CDPH) have a list of specific activities deemed as class 3 categorically exempt, including water supply lines of less than 16 inches in diameter and one mile in length, water storage tanks up to 100,000 gallon capacity, new water wells, perimeter fencing around treatment plants, and installation of hypochlorination units. The CDPH list also states "This list does not preclude categorical exemptions for other activities pursuant to CEQA or the CEQA Guidelines." CEQA allows Class 3 categorical exemptions for new small construction such as houses, duplexes, commercial developments under 2500 square feet in floor area, water mains and other utility connections, accessory structures, and other activities that are not located in an environmentally sensitive area (See CA Govt. Code Section 15303). Based on this, an individual could build a home as a use by right with no CEQA review because it qualifies for a categorical exemption, as long as it is not located on environmentally sensitive land. Since there are no sensitive resources on the site, as confirmed by the biological field survey and records search and cultural resources records search and outreach, development of the site with a small structure and utilities is quite reasonable under the regulation and no further environmental documentation or review is required. PECSD is the lead agency, not the SWB, and is not limited under CEQA law to only those activities included in the CDPH list. Furthermore, the direction provided by CDPH clearly states, as noted above that the list is not exhaustive. Therefore, activities not included on the list may be applicable for an exemption.

There was a concern by the SWB that the checklist, used internally to determine if the project could be exempt, indicates less than significant impact on some of the checklist items. This is irrelevant for a

number of reasons. First, the checklist was used internally simply as a means of ensuring all CEQA topics were covered when making the categorical exemption decision. As such, the boxes of less than significant and no impact were used for internally evaluating if the checklist question was completely irrelevant, for example mineral resources and farmland, or if the checklist question had any level of applicability and reason to be even considered or studied. Those are marked as less than significant and were used to provide detail within the Findings supporting the Categorical Exclusion. Second, CEQA does not state that only those areas determined to have no impact qualify for a categorical exemption. CEQA states categorical exemptions are applied to projects that would “not have *a significant effect* on the environment”. It does not state there must be “No Impact” on the environment.

It seems as though the SWB is applying their requirements typical for Projects that are subject to CEQA to projects that are exempt from CEQA. While most projects that receive loans from the SWB may be subject to CEQA, the SWB must surely have a different process for those projects exempt from CEQA and that have completed a NOE. It would be an undue burden on PECSD to be required to prepare formal cultural and biological resource reports for CEQA review when the project is exempt. Based on the guidelines provided by the SWB for cultural and biological reports, preparing reports compliant with SWB requirements would result in \$11,100 in additional costs (approximately \$5,500 for each report). A detailed scope of work and budget are attached for your consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Anders J. Hauge".

Anders J. Hauge

Enclosures: Biological and Cultural Resource Reports Scope of Work and Budget

Plumas Eureka CSD Arsenic Mitigation Project Reporting Scope and Budget

The following scope and budget are provided to outline the tasks conducted for each report. Administrative costs and document review are included in the total cost of the task.

The Cultural Resources Report will involve the following tasks:

1. A new APE map and description will be prepared.
2. A new record search through the Northeast Information Center of the California Historical Resources Information System for the Area of Potential Effect (APE) and an appropriate radius will be conducted. This will provide information on resources and surveys in the project vicinity.
3. A check will be made of the Sacred Lands Files through the Native American Heritage Commission (NAHC) of the APE. The NAHC will also provide a list of Plumas County groups and individuals who may have knowledge regarding cultural resources within or near the APE. Although they have already been contacted, with no response received, letters, using the SWB letter template, will be sent to these individuals and groups asking for information on known resources or concerns after completion of field survey, with a follow up to groups who do not respond.
4. A letter will also be prepared requesting the concerns of the Plumas County Historical Society regarding the project.
5. A field survey of the APE, using complete coverage will be conducted. Any sites within the APE will be recorded.
6. The Historic Property Identification Report (HPIR) will then be prepared following the SWB guidelines. An electronic version of this document will be submitted.
7. After SWB review, requested corrections will be made, and the final report resubmitted.

The Biological Resources Report will include the following tasks:

1. A formal APE map and APE description will be prepared.
2. A new record search of State (CDFW) and Federal (USFWS) species lists will be conducted to ensure species data is current and a table of listed species for the area will be prepared. Although previous studies for the project revealed no special-status species occurrence, the records will be reviewed to determine if any changes to those listings have occurred.
3. A reconnaissance level field survey of the project site. Although the site has been surveyed previously and no listed species were identified, the survey will focus on the project area specifically and any species added since the last site survey will be accounted for.
4. A Biological Resources Report will be prepared to document the biological resources analysis. The report will include a description of the project area and its existing condition, a description of the project and construction/operation measures implemented under the project, a map of the project APE, a description of the affected species and their occurrence in the area, a description of the site survey methods and findings, an analysis of the project effects, including cumulative effects, and a determination. The report will follow SWB guidelines. An electronic version of this document will be submitted for review.

5. After SWB review, requested corrections will be made, and the final report resubmitted.

Cost Estimate:

Task	Cost	Expenses*	Total
1. Cultural Resources Report <ul style="list-style-type: none">• mapping,• record search,• site survey,• coordination/ outreach, and• report	\$5,000 (42 hours)	\$500	\$5,500
2. Biological Resources Report <ul style="list-style-type: none">• mapping,• record search,• site survey,• analysis, and• report	5,400 (34 hours)	\$200	\$5,600
<i>Totals</i>	\$10,400	\$700	\$11,100

*Expenses include record search fees and mileage.