# ATTACHMENT 2: FINDINGS

## Laguna County Sanitation District Phase 3 Recycled Water Pipeline

### 1.0 CEQA FINDINGS (Pursuant to PRC §21081 and CEQA Guidelines §15090 and §15091)

### 1.1 CONSIDERATION OF THE ENVIRONMENTAL IMPACT REPORT

The Santa Maria Energy Production Plan and Development Plan - Laguna County Sanitation District Phase 3 Recycled Water Project is a project in which the Santa Barbara County (County) is acting as Lead Agency under CEQA and the Laguna County Sanitation District (District) is acting as Responsible Agency under CEQA. As Lead Agency, the County certified and adopted the Final Environmental Impact Report (FEIR) as well as Findings related to mitigation measures and project alternatives.

A portion of the project includes the installation of certain recycled water transmission facilities consisting of approximately 8 miles of recycled water pipeline and two booster pump stations to become the property of the District upon acceptance. The District is therefore a Responsible Agency under CEQA.

As a Responsible Agency, the District's role is limited as follows:

"A responsible agency has responsibility for mitigating or avoiding only the direct or indirect environmental effects of those parts of the project which it decides to carryout, finance or approve."{CEQA Guidelines § 15096(g)(1)}.

The District has reviewed each of the mitigation measures identified in the FEIR that may pertain to the District's jurisdiction of this project. Many of the impacts and associated mitigation measures in the FEIR apply to construction areas and project components outside of the District's jurisdiction and therefore will not apply to District's approved portions of the proposed project and are not included in this document. For a full discussion of findings related to the entire project, refer to CEQA Findings related complete FEIR.

The FEIR (Final EIR; 12EIR-00000-00003) dated September 2013 was presented to the District Board of Directors and all voting members of the Board of Directors have reviewed and considered the information contained in the Final EIR (12EIR-00000-00003) and its appendices and addenda prior to approving the project. In addition, all voting members of the Board of Directors have reviewed and considered testimony and additional information presented at or prior to public hearings on November 12, 2013. The FEIR reflects the independent judgment and analysis of the Board of Directors and is adequate for this proposal.

### 1.2 FULL DISCLOSURE

The Board of Directors finds that the Final EIR (12EIR-00000-00003) and addenda constitute a complete, accurate, adequate and good faith effort at full disclosure under CEQA. The Board of Directors further finds that the Final EIR has been completed in compliance with CEQA.

### 1.3 LOCATION OF RECORD OF PROCEEDINGS

The documents and other materials which constitute the record of proceedings upon which this decision is based are in the custody of the Board of Directors in the County of

Santa Barbara Public Works Department located at 620 West Foster Road, Santa Maria, CA 93455.

### 1.4 UNAVOIDABLE IMPACTS ARE MITIGATED TO THE MAXIMUM EXTENT FEASIBLE

The Final EIR (12EIR-00000-000003, September 2013) identified two environmental impacts for the Santa Maria Energy (SME) part of the project. Based on the narrow focus of the Responsible Agency's jurisdiction these findings are not required for the District's portion of the project.

### 1.5.1 FEASIBLE MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL – RECYCLED WATER PIPELINE PROJECT (13LUP-00000-00102)

The Final EIR identified significant impacts in several issue areas that would be reduced to less than significant levels with implementation of specific mitigation measures. These impacts, mitigation measures/adopted conditions of approval for the Recycled Water Pipeline project are summarized below.

*Hazardous Materials/Risk of Upset*

One Class II hazardous materials impact could result if contaminated soils are encountered and mobilized by grading and trenching for pipeline installation (Impact LCSD HAZ.1). Soil sampling prior to construction and remediation if contaminated soils are found is required by mitigation measure **LCSD HAZ-1 (Condition 22)**.

*Water Resources/Flooding*

The EIR found that construction of the water pipeline could cause degradation of surface water quality due to discharges or frac-outs (inadvertent return of drilling fluids to the ground surface) during directional drilling at watercourse crossings or incidental spills of fuel or other hydrocarbons from construction equipment, concrete washout, chemicals and cleaning solvents, and construction debris (Impact LCSD WR.1). Implementation of a frac-out contingency plan, pre-construction site-specific geotechnical investigation for the drilled crossings, and the Storm Water Pollution Prevention Plan (SWPPP) will mitigate these impacts to less than significant levels **(MM LCSD WR-1a, -1b, and 1c; Conditions 24, 25, 26)**.

*Biological Resources*

Twelve Class II impacts to biological resources are identified in the EIR for LCSD pipeline construction. These impacts and associated mitigation measures are summarized below:

| Class II Biological Impact | Mitigation |
|---|---|
| Loss or disturbance to:<br>Arroyo willow thicket<br>Black-flowered figwort<br>Native grassland species<br>*Impacts LCSD Bio.1, .2, and .3* | Implementation of Biological Resources Mitigation Compliance Plan, including post-construction restoration<br>**MM LCSD BIO-1; Condition 4** |
| Injury or mortality to California tiger salamander individuals<br>*Impact LCSD Bio.8* | Implementation of Biological Resources Mitigation Compliance Plan; pre-construction surveys for (and relocation of) CTS individuals; construction in dry season in Segments 1, 2 and 3; worker training on avoidance; biologist monitoring<br>**MM LCSD BIO-1, -4, and -11; Conditions 4, 7, 14** |

| Class II Biological Impact | Mitigation |
|---|---|
| Injury or mortality to California red-legged frog individuals<br>*Impact LCSD Bio.9* | Implementation of Biological Resources Mitigation Compliance Plan; pre-construction surveys for (and relocation of) red-legged frog individuals; construction in dry season in Segments 1, 2 and 3; worker training on avoidance; biologist monitoring<br>**MM LCSD BIO-1, -4; Conditions 4, 7** |
| Disturbance to vernal pool fairy shrimp habitat<br>*Impact LCSD Bio.10* | No alteration of local hydrology; no construction within 250 feet of vernal pool/depression where feasible, exclusion fencing where buffer not feasible<br>**MM LCSD BIO- 3, Condition 6** |
| Injury or mortality to western spadefoot toad individuals<br>*Impact LCSD Bio.11* | Implementation of Biological Resources Mitigation Compliance Plan; pre-construction surveys for (and relocation of) western spadefoot toad individuals; construction in dry season in Segments 1, 2 and 3; worker training on avoidance; biologist monitoring<br>**MM LCSD BIO-1, -4; Conditions 4, 7** |
| Disturbance to nesting raptors<br>*Impact LCSD Bio.12* | Implementation of Biological Resources Mitigation Compliance Plan; pre-construction surveys and establishment of buffers for active nests; biologist monitoring during construction<br>**MM LCSD BIO-1, -5, and -7; Conditions 4, 8, 10** |
| Destruction or abandonment of burrowing owl nests<br>*Impact LCSD Bio.13* | Implementation of Biological Resources Mitigation Compliance Plan; pre-construction surveys and establishment of buffers for active nests; biologist monitoring during construction<br>**MM LCSD BIO-1, -6; Conditions 4, 9** |
| Loss of active nests of birds protected under the Migratory Bird Treaty Act<br>*Impact LCSD Bio.14* | Pre-construction surveys for nests of protected species; limits on construction during nesting season if active nests found<br>**MM LCSD BIO-1, -7; Conditions 4, 10** |
| Reduction in numbers of silvery legless lizard, Coast horned lizard and American badger<br>*Impact LCSD Bio.16* | Implementation of Biological Resources Mitigation Compliance Plan; Pre-construction surveys for lizard individuals and badger dens; lizard relocation and den excavation prior to construction; biologist monitoring during construction<br>**MM LCSD BIO-1, 9; Conditions 4, 12** |
| Reduction of wildlife species onsite, habitat deterioration, disruption of normal wildlife activities<br>*Impact LCSD Bio.17* | Implementation of Biological Resources Mitigation Compliance Plan and CDFW Streambed Alteration Agreement conditions<br>**MM LCSD BIO-1, -11; Conditions 4, 14** |

*Cultural Resources*

No cultural resource sites are known to occur within the pipeline alignment. Because of access restrictions, the Hartnell Property (Key Site 15; pipeline Segment 5) was not fully surveyed for archaeological resources. This area will be subject to a Phase 1 survey by a qualified archaeologist prior to construction. Grading and trenching could affect unknown subsurface cultural or ethnic resources (Impact LCSD CulRes.1). This potentially significant effect will be mitigated to less than significant levels (Class II) through implementation of the pre-construction survey(s), monitoring, and the stop-work requirement if cultural resources are encountered **(MM LCSD CulRes-1, -2, and -3; Conditions 15, 16, and 17)**.

*Fire Protection*

Two Class II fire hazard impacts are identified in the EIR: Pipeline construction activities and use of vehicles with catalytic converters in a high fire hazard area (Impact LCSD Fire.1), and use of welding equipment along the pipeline route (Impact LCSD Fire.2) which can be an ignition source. These impacts will be mitigated to less than significant levels with implementation of restrictions on where vehicles with catalytic converters are allowed to park, safety requirements for welding activities and presence of a water truck in close proximity to welding activities **(MM LCSD Fire-1 and Fire-2; Condition 18)**.

*Noise*

The EIR found that construction noise levels during pipeline installation activities could disturb residents adjacent to the pipeline corridor along Blosser Road and Clark Avenue (Impact LCSD Noise.1). With limitation of noise-generating construction activities to the hours of 7:00 am to 5:00 pm, Monday through Friday, potential noise impacts will be less than significant **(MM LCSD Noise-1, Condition 20)**.

*Transportation/Circulation*

The EIR found that potential traffic safety and congestion impacts (Impact LCSD Trans.1) associated with construction of the LCSD water pipeline would be mitigated to less than significant levels through implementation of a Traffic Control Plan. The Plan must be developed in accordance with Roadway Encroachment permits from Caltrans, the County of Santa Barbara, and the City of Santa Maria and will include signage and flagmen as necessary, specification of haul routes on major roadways and staging areas, and maintenance of pedestrian and bicycle access **(MM LCSD Trans-1; Condition 21).**

Based on the foregoing discussion, the Board of Directors finds that feasible mitigation measures have been adopted as conditions of approval for construction of the LCSD Phase 3 Recycled Water Pipeline and will substantially lessen significant environmental impacts identified in the Final EIR.

## 1.6 Finding That Mitigation of Certain Impacts is Within the Responsibility and Jurisdiction of Another Public Agency

Changes or alterations to the SME ODPP project which could avoid or substantially lessen the significant environmental impacts have been adopted as conditions of approval and County departments will be responsible for monitoring compliance with these conditions of approval. Responsibility for monitoring and enforcement of certain mitigation measures will be shared with other agencies that have similar oversight authority. These include (1) the California Department of Fish and Wildlife and the U.S. Fish and Wildlife Service for conservation bank requirements to mitigate impacts to California tiger salamander; (2) the California Division of Oil, Gas and Geothermal Resources to monitor, control, contain and remediate oil spills, seeps or surface

expressions of oil; and (3) the Santa Barbara County Air Pollution Control District for dust control, reduction of $NO_x$, $SO_x$ and ROC emissions, oil storage tank vapor space pressure detection, odor minimization, and greenhouse gas emissions reporting and monitoring. Therefore, this finding is not required for the SME project.

## 1.7 IDENTIFIED PROJECT ALTERNATIVES OR MITIGATION MEASURES ARE NOT FEASIBLE

Public agencies may not approve projects as proposed if "feasible" alternatives or mitigation measures would substantially lessen the significant environmental effects, pursuant to the California Public Resources Code §21002.

The EIR considered additional valves for the oil transmission pipeline as mitigation to reduce the potential worst-case volume of a spill from this pipeline from 150 barrels to 70 barrels for a 5-minute response time. However, installation of additional valving beyond that currently planned for this pipeline would increase the risk of spills because valves and associated flanges and maintenance activities have a higher failure rate than welded line pipe. Adding a valve at the creek crossing along the oil transmission route would increase the failure frequency by about 5 times. For the valve and increased spill frequency to have value, it should be protecting a watercourse that flows regularly. The creek crossed by the oil transmission line is not spring-fed and is a minor drainage that generally flows only during substantial rain events. The EIR concluded that installation of additional valves on the oil transmission pipeline is therefore not warranted. For these reasons, the Board of Directors has not adopted a requirement for placement of additional valving on the SME crude oil transmission pipeline.

**SME Project Alternatives.** The Final EIR (12EIR-00000-00003) evaluated the No Project alternative, three reduced scope alternatives, an alternative location within the Lease for the proposed well pads, and realignment of a portion of the crude oil as methods of reducing or eliminating significant environmental impacts, as discussed below. The Board of Directors has declined to adopt any of these alternatives, as discussed below.

**No Project.** Under this alternative, the 110 new wells, steam generators and other associated equipment, crude oil transmission pipeline, and the LCSD Phase 3 recycled water pipeline would not be constructed. The 26-well pilot project would be decommissioned and associated equipment removed from the site. SME production operations with the existing Monterey formation wells would continue within the Lease, including continued flaring of produced natural gas and trucking of crude oil to the Phillips 66 Santa Maria pump station for transport out of the County. Implementation of this alternative would eliminate all adverse impacts associated with both the SME project (and construction of the LCSD Phase 3 recycled water pipeline). However, because it would not meet any of the project objectives, the Board of Directors finds that the No Project alternative is infeasible.

**Reduced Scope A – 26-Well Pilot Project Only.** This alternative involves conversion of the temporary 26-well pilot program to a permanent 26-well Diatomite development project. No additional wells, steam generators or other infrastructure would be developed and the crude oil transmission pipeline would not be built. It is likely that the Phase 3 recycled water pipeline would not be built to serve the 26-well project and trucking of recycled water to the Lease would continue. This alternative would reduce Class II impacts from greenhouse gas emissions and Class I and II impacts to biological and water resources; however, it would not meet the project objective to fully develop the Diatomite formation and could result in continued trucking of recycled water to the SME Lease site.

The Board of Directors finds that this alternative is not feasible because it would not meet a significant project objective and therefore declines to adopt it.

**Reduced Scope B – 55-Well Project.** Under this alternative, 20 new well pads with 55 new wells, the 26 temporary pilot-project wells and one new larger replacement steam generator would be built within about 20 acres of the Lease. The LCSD Phase 3 recycled water pipeline and the oil transmission pipeline also would be built. Class I oil spill impacts would remain but most of the Class II impacts associated with the project would be reduced in severity. The reduction in the number of production wells, and thus the amount of production that would be expected, would not meet the full development objective of the project, but would meet the objective of increased production from the Diatomite formation, though over a longer period of time. Although this alternative would achieve some of the project objectives, it would not meet a significant objective of the proposed project which is to fully develop the Diatomite formation. The time to develop the field could be extended with this alternative as compared to the proposed project, which could extend the occurrence of environmental impacts farther into the future. For these reasons, the Board of Directors finds this alternative is not feasible and declines to adopt it.

**Reduced Scope C – Limitation on Recycled Water for Cyclic Steaming.** Under this alternative, the 136 wells would be developed but water for cyclic steaming for the 110 new wells would be obtained from produced water, the existing on-site well, and a new water well constructed either on- or off-site. Recycled water from the LCSD treatment plant would continue to be trucked to the site for steam generation for the 26 wells associated with the pilot project. The LCSD water pipeline would not be constructed by SME to serve the project. Additional water processing equipment would be added to the site to clean the produced water to the point where it could be used to generate steam. The Class I oil spill impacts would remain the same and most Class II impacts as well. Traffic/circulation impacts would be slightly increased with continued trucking of LCSD recycled water to the site. Groundwater resources would be affected, but not at significant levels as extraction would be limited to a maximum of 23 acre-feet per year (an average of about 20,500 gallons per day), per the County's environmental threshold. Impacts to biological resources associated with construction of the LCSD recycled water pipeline would be not occur, but similar impacts would occur with construction of a new water well, processing equipment and piping. The SME project objectives would be met with this alternative, though potentially over a longer period of time due to the limitations on water availability without the LCSD water pipeline. Implementation of this alternative would not substantially reduce significant environmental impacts of the project. The Board of Directors finds that this alternative should not be adopted as it would not substantially lessen significant impacts and could slightly increase some impacts and therefore declines to adopt it.

**Alternative Location A – West Lease Location.** Under this alternative, the 110 new wells would be installed nearer to the western Lease boundary. The wells would be spaced closer together than for the proposed project in an area with fewer existing well pads and access roads and farther from the existing processing area. The LCSD water pipeline and the SME oil transmission pipeline, steam generators and other components would be built and operated under this alternative. Class I oil spill impacts and most Class II impacts would remain the same under this alternative. More grading for the well pads, piping and access roads would be needed, but erosion-related impacts would still be less than significant with implementation of mitigation measures. Class II impacts to some biological resources would be reduced and others would be increased with this

alternative: permanent loss of upland dispersal habitat of the California tiger salamander would be reduced as the wells would be located outside of the 2,200-foot radius from the nearest CTS pond; oak tree removal could be slightly reduced but impacts to wildlife corridors and foraging areas would likely be greater. The project objectives would be met under this alternative. However, significant unavoidable environmental impacts related to oil spills would not be lessened and other potentially significant impacts could be increased with this alternative. The Board of Directors finds that this alternative should not be adopted because it would result in increased impacts and therefore declines to adopt it.

**Relocation of Oil Transmission Pipeline.** Under this alternative, approximately 1,000 feet of the oil transmission pipeline within the Lease site would be relocated to at least 500 feet from the top-of-bank of Bicknell Creek to avoid or reduce Class I oil spill impacts. The pipeline would be located within the proposed utility corridor for the remainder of its length. All other project components would be the same as for the proposed project. Class I oil spill impacts to water and biological resources would be reduced, but would remain significant and unavoidable for this alternative. Additional grading would for the relocated portion of the pipeline would result in increased erosion-related impacts and dust generation and a small increase in temporary disturbance of upland habitat for the California tiger salamander. However, these impacts likely would remain Class II. Construction of the oil line in the relocated alignment would require additional pipe bends and welding compared to the proposed alignment in the utility corridor. All other Class II impacts would be the same as for the proposed project. Because this alternative would reduce but not eliminate significant unavoidable impacts associated with oil spills, potential impacts to CTS habitat would be slightly increased, and construction of the relocated portion of the pipeline would require additional grading and pipe bends than the proposed project, the Board of Directors finds that this alternative would result in greater environmental impacts and declines to adopt it.

**1.8** **MITIGATION MONITORING AND REPORTING:** Public Resources Code §21081.6 and CEQA Guidelines §15091(d) require the District to adopt a reporting or monitoring program for the changes to the project that is has adopted or made a condition of approval in order to avoid or substantially lessen significant effects on the environment. The approved project descriptions for the LCSD Phase 3 Recycled Water Pipeline project, with their corresponding permit monitoring requirements, are hereby adopted as the reporting and monitoring programs for the projects. These monitoring programs are designed to ensure compliance during all phases of project implementation.