

FINAL ENVIRONMENTAL IMPACT REPORT (FEIR) and COMMUNICATION FROM CHAIR AND MEMBER, ENERGY AND ENVIRONMENT COMMITTEE relative to the Green Acres Farm Biosolids Land Application Project.

Recommendations for Council action:

1. CERTIFY that the FEIR (State Clearing House No. 2013021021) for Farm Biosolids Land Application, attached to the Council file, complies with the California Environmental Quality Act (CEQA) and that City Council has reviewed the information contained therein and considered it along with other factors related to the Green Acres Farm Biosolids Land Application Project.
2. FIND that the determination reflects the independent judgement of the City of Los Angeles and that this determination reflects the record of proceedings in this matter located in Council files for this Project in the custody of the City Clerk and Bureaus of Sanitation and Engineering.
3. ADOPT the CEQA findings and Statement of Overriding Considerations prepared for this action, attached to the Council file.
4. ADOPT pursuant to Section 21081.6 of the Public Resources Code the Mitigation Monitoring Plan prepared for this action, attached to the Council file.
5. INSTRUCT the Bureau of Sanitation to file a Notice of Determination with the Los Angeles County Clerk within the requisite time period.

Fiscal Impact Statement: The Board of Public Works (BPW) reports that funding information is not required for this CEQA determination. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On December 3, 2014, the Chair and one member of the Energy and Environment Committee considered a November 5, 2014 BPW report and FEIR relative to the Green Acres Farm Biosolids Land Application Project. According to the BPW, to beneficially reuse the solid residuals created from the wastewater treatment process, the City decided to implement an off-site biosolids transportation and management program. In 1994 the City began transporting the biosolids to Green Acres Farm (the Farm) in western Kern County, which had been operating as a farming site since 1988. Here the City biosolids have been land applied ever since as a fertilizer and soil conditioner to enhance the growth of feed crops such as corn, wheat, Sudan, Milo and alfalfa, which are primarily sold to local dairies. The farm was owned by Valley Communities, Inc. (VCI) but ever since 1994 Responsible Biosolids Management (RBM) has been responsible for coordinating the transportation of biosolids from the City to the farm.

On October 28, 1996, the City executed an agreement Contract No C-94375 with RBM for the loading, transportation, and beneficial reuse of the City's biosolids. This agreement provided for land application of the City's biosolids at the Farm. The agreement with RBM was extended for a period of three years on August 25, 1999 under amendment No. 1 (Council File No. 99-1728). On February

21, 2000, the City agreed to an amendment No. 2 that extended the contract with RBM until 2010 (Council File No. 99-2107). This contract extension did not alter the amount or manner of biosolids land application at the Farm, which continued as it had been previously conducted by the City and RBM. At the same time in 2000, Council authorized the purchase of Green Acres Farm (Council File Nos. 99-2107, 04-0412). This purchase did not alter the amount or manner of biosolids land application by the City and RBM. The purchase merely resulted in the transfer of title from VCI to the City, allowing the City to better oversee land application operations at the Farm. The City's two actions in February 2000 are a continuation of the preexisting biosolids recycling activities at the Farm.

After purchasing the Green Acres Farm, the City spent more than \$15 million to upgrade its wastewater treatment facilities at the Hyperion and Terminal Island plants to allow additional holding time for heat treatment of biosolids in large anaerobic "digesters" that kill microorganisms. Part of the reason for this was in response to regulations adopted by Kern County requiring the phase-out by the end of 2002 of "Class B" biosolids (which are treated to reduce certain microorganisms by 99 percent). As a result of these facility improvements, at the beginning of 2003, all thermophillically treated biosolids that have been land applied at Green Acres have consistently met, and continue to meet, both "Class A" and "Exceptional Quality" standards.

"Class A" biosolids are treated longer and more intensively than "Class B" biosolids and are essentially free of any pathogens; "Exceptional Quality" (or "EQ") biosolids satisfy stringent pollutant concentrations for the trace amounts of metals found in biosolids at the parts per million level. The City produces only Class A EQ biosolids and no longer produces Class B biosolids. Due to treatment process involved, the production of Class A EQ biosolids from a given volume of wastewater resulted in a decrease in biosolids tonnage as compared with the production of Class B biosolids from the same wastewater volume.

The City recognizes the benefits of recycling biosolids instead of disposing or placing them in a landfill and in 1999, it adopted a resolution supporting the full recycling of biosolids and the proper management and oversight of this practice in accordance with the California Water Environment Association Manual of Good Practice, and the application of all classes of biosolids to land in accordance with the USEPA's Part 503 rule. To affirm the recycling of biosolids and its oversight of the practice, the City also adopted a biosolids policy in 2002 that committed to maintaining one hundred percent beneficial use of the biosolids it produced that complied with all federal, state, and local regulations.

When establishing the policy, the City committed to several goals for the biosolids management program. The Project is consistent with these goals, which are:

- a. Managing its biosolids in an environmentally sound, socially acceptable, and cost effective manner.
- b. Complying with all applicable federal, state, and local laws and regulations.
- c. Requiring its land appliers to comply with the provisions of the CWEA Manual of Good Practice for Agricultural Land Application of Biosolids
- d. Producing Exceptional Quality (EQ) biosolids that meet or exceed the requirements in 40 CFR Part 503.

- e. Maintaining a verified Biosolids Environmental Management System (EMS) that conforms to the National Biosolids Partnership EMS program requirements.

The FEIR Project's objective is to beneficially re-use the biosolids produced by the City's Wastewater Treatment Plants. Beneficial reuse can be land application as a soil amendment/fertilizer, composting or pelletizing as a soil amendment/fertilizer, waste-to-energy/fuel conversion, etc. Green Acres Farm has been a beneficial use option for land application since 1994 and continues to operate in an environmentally sound and safe manner thereby helping the City meet its policy and goals.

In litigation involving the City, Kern County and others concerning the validity of a 1999 ordinance adopted by Kern County to regulate land application of biosolids and the CEQA compliance of other activities related to biosolids, the Court of Appeal found that Kern County violated CEQA and was required to prepare an Environmental Impact Report to analyze the potentially significant impacts resulting from the ordinance. The Court of Appeal also found that the City's purchase of Green Acres Farm and its extension of the RBM contract were within the biosolids program evaluated in the 1989 and 1996 Biosolids Management Program FEIR, but the Court determined that the City must conduct an analysis under Section 15168 of the CEQA Guidelines to determine whether additional CEQA review is warranted. On remand from the Court of Appeal, the Superior Court for Tulare County in 2005 issued a writ of mandate (Writ) directing the City to:

- a. Undertake the examination and to make the determinations necessary to comply (with) section 15168, subdivision (c) of the California Environmental Quality Act ("CEQA") Guidelines, with respect to your approval of Contract No. C-94375, as amended, with Responsible Biosolids Management, Inc. and Valley Communities, Inc. for the loading, transporting and beneficial use of biosolids produced at the Terminal Island and Hyperion treatment plants.
- b. To undertake the examination and to make the determinations necessary to comply (with) section 15168, subdivision (c) of the CEQA Guidelines, with respect to your approval of the "Contract to Purchase Real Property" with Valley Communities, Inc. and Buena Vista Lake Properties for the purchase of 4,688 acres of land located in Kern County.
- c. To undertake the steps necessary to comply with any other provisions of CEQA or the CEQA Guidelines that become applicable as a result of the determinations made under CEQA Guidelines section 15168 with respect to the contracts identified in paragraphs 1 and 2 above."

In response to the Writ, in 2010 the City prepared an addendum to the 1989 and 1996 Program EIRs (Addendum). In 2012, the Tulare County Superior Court ruled that the Addendum was inadequate to discharge the Writ and the City was directed to prepare a CEQA Initial Study (Court Order). A February 2013 draft Initial Study (IS) was prepared for the 2000 extension of the RBM contract and the 2000 purchase of Green Acres Farm (the "Proposed Project"). Based on the conclusions of the draft IS, the Draft EIR (DEIR) was prepared. This is a retrospective EIR that resulted from the Writ and Court Order for a Project that commenced in 2000.

The FEIR was sent to the State Clearinghouse for distribution to State agencies and posted 45-days for public review and comment from April 24, 2014 to June 8, 2014 at local library and a library in Kern County where the proposed project site is located. Also the Notice of Availability (NOA) of the FEIR was published in the Los Angeles Times, and the Bakersfield Californian. In addition, the NOA identified the option of viewing the documentation online and a web link was provided where the Draft EIR was posted on the project's website for public viewing. A compact disc with the Draft EIR

was made available at the public hearing for interested individuals to obtain. The FEIR finds that the Proposed Project will not result in a potentially significant impact, except for air quality and land use, if Measure E, the ban of biosolids application in the unincorporated area of Kern County, is upheld after legal challenges and is enforced. It finds that, except for the "No Project" alternative that assumes some biosolids composting and land application out-of-state, the Proposed Project is the environmentally superior alternative.

After consideration and having provided an opportunity for public comment, the Committee Chair moved to recommend certification and approval of the FEIR as contained in the November 5, 2014 BPW report and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

COUNCILMEMBER FELIPE FUENTES, CHAIR

ENERGY AND ENVIRONMENT COMMITTEE

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
FUENTES:	YES
BLUMENFIELD:	YES
LABONGE:	ABSENT
HUIZAR:	ABSENT
KORETZ:	ABSENT

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12/3/14

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**