



— BUREAU OF —
RECLAMATION

Determination of National Environmental Policy Act Adequacy

City of Morro Bay Water Reclamation Facility Project

CGB-ED-2024-019

Bureau of Reclamation California-Great Basin Region

prepared by

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Mission Statements

The U.S. Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors its trust responsibilities or special commitments to American Indians, Alaska Natives, Native Hawaiians, and affiliated Island Communities.

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

Introduction

The Department of the Interior (DOI) Handbook of National Environmental Policy Act (NEPA) Implementing Procedures (516 DM 1) allows bureaus to rely on a programmatic environmental assessment (PEA) or portion thereof, provided that the PEA or portion thereof meets the standards for an adequate PEA. This Determination of NEPA Adequacy (DNA) assesses whether the PEA for the Water Infrastructure Finance and Innovation Act (WIFIA) program sufficiently addresses the effects of Reclamation's proposed action for the City of Morro Bay Water Reclamation Facility Project (Project).

Proposed Action

Reclamation proposes to award up to \$9,310,095 in Federal funding to the City of Morro Bay (City) for the construction of an advanced wastewater treatment plant, recycled water injection wells, and associated infrastructure (pipelines, pump stations, etc.). Funding is provided through Reclamation's WaterSMART (Sustain and Manage America's Resources for Tomorrow) Title XVI Water Reclamation and Reuse Program, which includes funding for the planning, design, and construction of water recycling and reuse projects in partnership with local government entities.

The City's Water Reclamation Facility (WRF) Project has commenced to replace the City's 1953 Morro Bay-Cayucos Wastewater Treatment Plant (WWTP) and includes construction and operation of three primary components described below, for the treatment and delivery of recycled water.

1. Water Resources Center (WRC) – A new wastewater treatment plant/water Reclamation facility, including Full Advanced Treatment (i.e., membrane filtration, reverse osmosis, and ultraviolet/advanced oxidation treatment processes).
2. Conveyance – Pipelines and pump stations to convey wastewater to the WRC, treated effluent to the City's existing ocean outfall and advanced purified recycled water to the Recycled Water Facilities.
3. Recycled Water Facilities – Injection well and recycled water pipelines to recharge the Lower Morro Valley Groundwater Basin (Morro Basin) and offset the need for potable water.

Water Resources Center

The WRC has been designed and constructed with a capacity of 0.97 million gallon per day (MGD), which will be capable of producing up to 887 acre-feet per year (AFY) of advanced purified water at full-build out of the City. The WRC consists of a membrane bioreactor wastewater treatment facility to provide secondary treatment. After secondary treatment, the treated effluent can be either sent to the ocean outfall for

disposal or to the Advanced Water Purification Facility (AWPF) for additional treatment prior to conveyance to the Recycled Water Facilities. The AWPF includes reverse osmosis, ultraviolet disinfection with advanced oxidation, calcite stabilization, and chlorination processes. After treatment, the advanced purified water is sent to a recycled water storage tank, then to a pump station that feeds the Recycled Water Facilities.

Construction of the WRC included site excavation and grading, construction of buildings and water retention ponds, installation of night lighting, installation of fencing around the WRC perimeter, paving of parking areas and the road to the facility, and revegetating and landscape areas of temporary disturbance.

Permanent fencing includes a concrete exclusion barrier along the eastern boundary of the site that extends 24 inches above grade. This exclusion barrier is intended to mitigate impacts to the Federally listed California Red-Legged Frog. Affixed to the top of the concrete exclusion barrier is a 6-foot chain link fence with privacy slats. The remaining perimeter of the site includes a 6-foot chain link fence with privacy slats. Permanent night lighting will be minimal with low intensity to prevent spillovers into open space areas.

Conveyance Facilities

The conveyance facilities include: 1) a conveyance pipeline to deliver raw wastewater (source water) from the existing WWTP to the WRC, 2) a pipeline to convey treated effluent discharge from the WRC to the City's existing ocean outfall, 3) a recycled water conveyance pipeline to deliver advanced purified water to the injection wellfield, and 4) pump stations. The conveyance facilities start at the WWTP near the top of Figure 1 and extend to the new WRC site running parallel to Highway 1.

The City installed the treated effluent discharge pipeline and wastewater conveyance pipeline underground and mostly along the disturbed right-of-way along Quintana Road. The pipelines cross Morro Creek via a pipe bridge. The Project was designed to avoid and minimize impacts to native habitats and drainage features. The pipe bridge required a small area of willow riparian vegetation on the southern bank to be trimmed to construct the southern abutment. No work occurred in the creek bed or within the banks of any natural drainage feature in the Project area. This minor amount of riparian habitat affected by the construction of the pipe bridge is expected to grow back after construction. The lift stations required installation of piping, electrical equipment, and the pump houses. The recycled water pipeline has also been constructed.

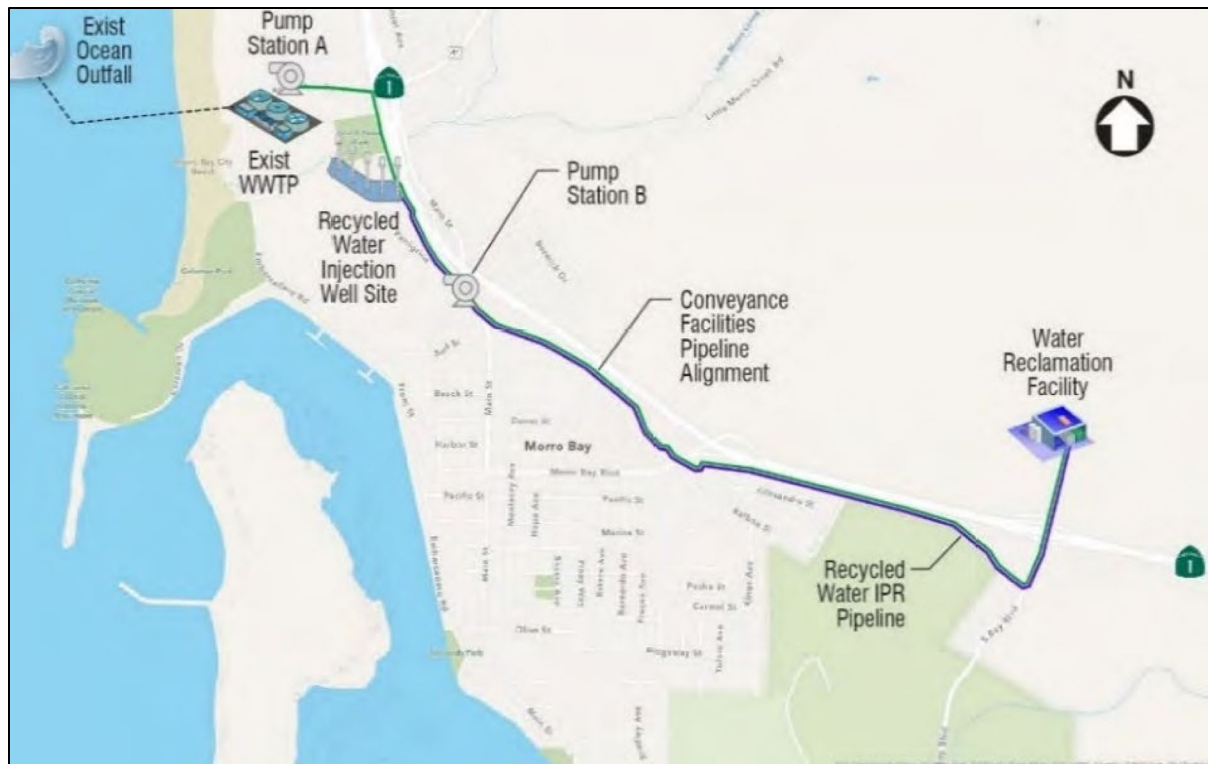


Figure 1. Project Overview

Recycled Water Facilities

Advanced purified recycled water will be conveyed from the WRC to the injection wellfield where it will be injected into the Morro Basin (Figure 1). The injected water will be extracted at the City's existing production wellfield for use as potable water. The Recycled Water Facilities infrastructure to be installed for this phase of the Project includes three to eight injection wells, monitoring wells, and recycled water branch pipelines to deliver water from the recycled water conveyance line to the injection wells. The City will drill the injection wells and conduct testing prior to equipping. The City will convey water discharged during well development to onsite temporary settling basins and then for land dispersal or to the wastewater collection system. The creek is not anticipated to be disturbed by the installation of the recycled water pipelines, as the City intends to install the pipeline underneath Willow Camp Creek via horizontal directional drilling.

Existing NEPA Documentation Review

The PEA For the WIFIA Program prepared by the U.S. Environmental Protection Agency (EPA), Document Number N2018016 (<https://cdxapps.epa.gov/cdx-enepa-II/public/action/nepa/details?nepald=248581>), evaluates the environmental effects

water infrastructure projects receiving credit assistance through the WIFIA program and is incorporated by reference. This PEA is nationwide in scope and evaluates the potential effects of construction and operation and maintenance of water and wastewater infrastructure. Potential impacts were considered programmatically to consider conditions that could occur at various sites.

Reclamation determined the EPA's existing PEA adequately analyzed the effects of Reclamation's proposed action and that a new environmental analysis was not necessary. Reclamation re-published the PEA and issued its own Finding of No Significant Impact (FONSI) (CGB-ED-2026-032).

Consistent with the conditions of the PEA, potential projects to be considered under the PEA are subject to an environmental questionnaire that was developed as part of the PEA in order to determine whether a project falls within the scope or context of the PEA. A summary of the Environmental Questionnaire for WIFIA Credit Assistance Projects (Appendix A) and WIFIA PEA Adequacy Memorandum (Appendix B) are provided in the following section and were used to inform Reclamation's answers to the six DNA questions below.

The Environmental Questionnaire for WIFIA Credit Assistance Projects, filled out by the City of Morro Bay for the Water Reclamation Facility Project, provides additional project information such as the project type, location, environmental permits, and environmental impacts of the project, and is incorporated by reference. Information for environmental impacts of the project include potential impacts to land use, air quality, noise and vibration, geology and soils, water resources including groundwater and surface water, biological resources including federally listed endangered species, cultural resources, socioeconomics, transportation and traffic, utilities, hazardous materials, and human health and safety.

The WIFIA PEA Adequacy Memorandum prepared by the EPA for the City of Morro Bay Water Reclamation Facility Project evaluates the conformity of the proposed Project with the PEA for the WIFIA Program, as well as the Project's potential to have significant environmental impacts. The memorandum found that the Project does not have the potential for significant environmental impacts, and that the environmental impacts of the Project are within the scope and context of the PEA for the WIFIA Program.

The following answers are provided to inform whether the analysis in the PEA For the WIFIA Program, the Environmental Questionnaire for WIFIA Credit Assistance Projects for the City of Morro Bay Water Reclamation Facility Project, and the WIFIA PEA

Adequacy Memorandum for the City of Morro Bay Water Reclamation Facility Project, adequately cover the proposed action currently under consideration.

1. Is the new proposed action a feature of, or essentially like an alternative analyzed in the existing environmental document? **Yes. The proposed action to construct a new WRF is included within the PEA's alternative for water infrastructure projects (PEA § 2.1).**

2. Is the proposed action within the same analysis area, or if the location of the proposed action is different, are the geographic and resource conditions sufficiently like those analyzed in the existing environmental document? **Yes. The proposed action is located in Morro Bay, CA. The PEA includes water infrastructure projects nationwide, including California (PEA § 1.2).** If there are differences, can the bureau explain why they are not substantial? **N/A.**

3. Is the range of alternatives analyzed in the existing environmental document appropriate with respect to the new proposed action, given current environmental concerns and resource values? **Yes. The PEA analyzes a No Action Alternative (PEA § 3.1).**

4. Is the existing analysis valid considering any new information or circumstances relevant to the proposed action? **Yes. The proposed action described within the PEA Questionnaire is valid.** Can the bureau reasonably conclude that new information and new circumstances do not warrant substantial change to the analysis of the new proposed action? **Yes. No new information, circumstances, or substantial project changes exist.**

5. Are the environmental effects that would result from implementation of the new proposed action similar (both quantitatively and qualitatively) to those analyzed in the existing environmental document? **Yes. The project's environmental effects are analyzed within the PEA Questionnaire. There are no new substantial changes.**

6. Is the public involvement and interagency review associated with the existing EAs/EIS adequate for the new proposed action? **Yes. The EPA published the FONSI for the Preliminary PEA on April 26, 2018. The preliminary decision and finding became final after a 30-day public comment period where no new significant information was provided to alter the agency's findings.**

Based on the evaluation and documentation in this DNA, Reclamation has determined that the PEA for the WIFIA Program, the Environmental Questionnaire for WIFIA Credit

Assistance Projects for the City of Morro Bay Water Reclamation Facility Project, and the WIFIA PEA Adequacy Memorandum for the City of Morro Bay Water Reclamation Facility Project, are adequate to cover the proposed action and no additional analysis under NEPA is required.

Cultural Resources

The expenditure of Federal appropriations is an undertaking as defined in 36 CFR § 800.16(y) that requires compliance with Title 54 U.S.C. § 306108, commonly known as Section 106 of the National Historic Preservation Act (NHPA), and its implementing regulations found at 36 CFR Part 800, and involves the type of activity that has the potential to cause effects on historic properties under 36 CFR § 800.3(a).

Prior to the identification of Reclamation's undertaking to provide Title XVI/WIIN grant funds, the U.S. EPA, who is providing grant funds from the Water Infrastructure Finance and Innovation Act Program for this same project, executed a Programmatic Agreement (PA) in November 2019 between the EPA and the State Historic Preservation Officer (SHPO) to fulfill their requirements for Section 106 compliance (Enclosure). Stipulation VIII.D.2. of the PA states that if "another Federal agency not initially a party to or subject to this agreement receives an application for funding/license/permit for the undertaking as described in this agreement, that agency may fulfill its Section 106 responsibilities by stating in writing it concurs with the terms of this agreement and notifying signatory parties and invited signatories that it intends to do so."

Reclamation has notified PA signatory parties and invited signatories of our undertaking to award grant funding to the City that Reclamation concurs with the terms of PA, and that Reclamation intends to fulfill our Section 106 responsibilities through the PA pursuant to Stipulation VIII.D.2. This intention will be documented in the EPAs' annual report to SHPO pursuant to Section VII of the PA.

Indian Trust Assets

Indian Trust Assets (ITAs) are legal interests in assets that are held in trust by the United States for federally recognized Indian tribes or individuals. Based on the nature of the planned work, it does not appear to be in an area that will impact Indian hunting or fishing resources or water rights nor is the proposed activity on actual Indian lands. It is reasonable to assume that the proposed action will not have any impacts on ITAs.

Conclusion

This document certifies that the Reclamation has considered all relevant information raised in the NEPA process and that the NEPA process has concluded. The proposed action described above complies with ESA and NHPA and requires mitigation measures as described in the Environmental Commitments section. Public involvement did occur.