



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council **Item No.** _____

FROM: Interim City Administrator

SUBJECT: Resolution Adopting the CEQA Mitigated Negative Declaration for Construction of a New Drinking-Water Well at Commerce Station 7

MEETING DATE: August 15, 2017

RECOMMENDATION:

Conduct a public hearing and approve the Resolution adopting the CEQA Mitigated Negative Declaration for construction of a new drinking-water well at Commerce Station 7.

ANALYSIS:

The City is in need of a new drinking water well to replace the one at Station 4, which was constructed in 1917 and well beyond its useful lifespan of 50 years. The City owns three wells. However, Station 6's well is in standby due to the Department of Drinking Water requiring taking it out of service because of an increase in Volatile Organic Compounds (VOCs), existing treatment for manganese, and holes in the well's steel casing. The condition of the Commerce Water System (see attached map) was previously reported to the City Council in December 2015. Accordingly, the City entered into an agreement with California Water Service Company (Cal Water) on November 15, 2016 to assist the City with the design, permitting, and management for the construction of the new well to be located at a site known as Commerce Station 7 – 7200/7210 Dominion Circle ("the Project"). This area was chosen since there is ample space for the proposed capital improvement, which reduces the cost by not having to purchase land for a new well site and is located in a heavy industrial area where construction would not impact residents.

The project consists of a 3 Phase plan as follows:

- Phase 1: Well construction (includes initial well assessment, permitting, and design). Phase 1 work will be conducted over a 3-year timeframe. Phase 1 costs are approximately \$2,000,000 spread over 3 years.
- Phase 2: Water Quality Analysis and Initial Treatment Recommendation. Costs to be determined post-construction.

- Phase 3: Final Treatment Design and Outfitting Existing Facility. Costs to be determined post-construction.

Cal Water's project team and the City's Deputy Director of Public Works Operations and City Planner worked together on satisfying CEQA requirements while Cal Water is working on obtaining State of California Department of Drinking Water permits. The City served as the lead for CEQA purposes since the new well is for the City-owned Commerce Water System that services the Veteran's Park residential area and commercial properties south of Washington Boulevard. Under CEQA, the City was required to conduct an Initial Study (IS) analysis to determine if and what environmental impacts would be caused by the project and if and what mitigation was necessary to offset those impacts.

The City's on-call consultant, MIG, completed the IS and determined that the project posed no impact, or less than significant impact, as to most categories, such as air quality, noise, greenhouse gas emissions, and hazards and hazardous materials, but that a Mitigated Negative Declaration (MND) should be prepared in order to mitigate any potential significant negative effect on the environment from the project. Accordingly, MIG prepared an MND. A Notice of Intent to adopt a MND was filed and recorded by the Los Angeles County Clerk on June 15, 2017. The IS was released for a 30-day period of circulation and review to the public on June 17, 2017. Copies were available at City libraries and City Hall. Staff received a few comments from the City of Downey and the Native American Heritage Commission. All comments were considered prior to adoption of the MND. Mitigation is recommended in the cultural resources category in the event that, during construction, the contractor discovers archaeological and/or paleontological resources, artifacts, or human remains. Mitigation includes construction personnel sensitivity training, ceasing of activities for evaluation by qualified specialists, preparation of a report of the discovery, monitoring services, and response plan. The full MND is attached hereto for Council review.

Staff recommends approving a resolution adopting the CEQA IS/MND for construction of a new drinking-water well at Commerce Station 7. Upon approval, the City must obtain State permits and complete the design and release a Request for Proposals/bids for the construction of the well.

ALTERNATIVES:

1. Approve staff recommendation
2. Disapprove staff recommendation
3. Provide further direction to staff

FISCAL IMPACT:

The total project cost is approximated to be as follows:

Activity	Year	Cost
Design, permits, construction management	Phased over 3 years	\$300,000
Start of construction	2	\$900,000
Completion of construction	3	\$800,000
Total		\$2,000,000

Council approved funding \$300,000 from the Water Utility Fund Reserves in Fiscal Year 16/17 for development of the well design, permits, and construction management services. This includes the approximate \$15,000 for CEQA analysis. These costs will be expended over three years. An appropriation of \$900,000 for Fiscal Year 17/18 is necessary for year 2 costs to start construction. The start of construction depends upon the timing of the State’s permit approval.

RELATIONSHIP TO STRATEGIC GOALS:

This item is related to a specific 2016 Strategic Goal to “develop and implement a sustainable Capital Improvement Program to ensure the quality of existing infrastructure and to support future plans for the City.”

Approved by: Maryam Babaki, Director of Public Works and Development Services
Prepared by: Gina Nila, Deputy Director of Public Works Operations
Reviewed by: Vilko Domic, Finance Director
Approved as to form: Eduardo Olivo, City Attorney
Respectfully submitted: Vilko Domic, Acting City Administrator

ATTACHMENTS: MIG’s IS/MND