Operations Committee Meeting - April 3, 2019

1. Agenda Packet

   Documents:

   AG 190403.PDF

2. Related Agenda Items

   Documents:

   AGENDA ITEM NO. 4. A. - PRESENTATION.PDF
   AGENDA ITEM 4. B. PUBLICCOMMENT_SAMPSEL_01_SUMMARY.PDF
   AGENDA ITEM 4. B. PUBLICCOMMENT_SAMPSEL_02_COMPARISON.PDF
   AGENDA ITEM 4. B. PUBLICCOMMENT_SAMPSEL_03_CONCLUSION.PDF
SWEETWATER AUTHORITY
OPERATIONS COMMITTEE
AGENDA

DATE: Wednesday, April 3, 2019
TIME: 10:00 a.m.

1. CALL MEETING TO ORDER AND ROLL CALL.

2. ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED IN THE AGENDA.

3. PUBLIC COMMENT.
   Opportunity for members of the public to address the Committee. (Government Code Section 54954.3).

4. ACTION AGENDA.
   The following items on the Action Agenda call for discussion and action by the Committee. All items are placed on the Agenda so that the Committee may discuss and take action on the item if the Committee is so inclined, including items listed for information.
   A. Recommendation to Adopt Resolution 19-08, Amending and Adopting Local Guidelines for Implementing the 2019 California Environmental Quality Act
   B. Consideration to Award a Contract - Vehicle Replacement Program – Light-Duty Trucks, Sport Utility Vehicle, and Ten-yard Dump Truck
   C. Current Main Replacement Prioritization Policy (Information Only) (No Enclosure)

5. CLOSED SESSION.
   At any time during the regular session, the Committee may adjourn to closed session to discuss real property matters within the attorney-client privilege, subject to the appropriate disclosures. (Government Code Section 54956.8).

6. NEXT MEETING DATE: Wednesday, April 17, 2019 at 10:00 a.m.

7. ADJOURNMENT.

This agenda was posted at least seventy-two (72) hours before the meeting in a location freely accessible to the Public on the exterior bulletin board at the main entrance to the Authority's office and it is also posted on the Authority's website at www.sweetwater.org. No action may be taken on any item not appearing on the posted agenda, except as provided by California Government Code Section 54954.2. Any writings or documents provided to a majority of the members of the Sweetwater Authority Governing Board regarding any item on this agenda will be made available for public inspection at the Authority Administration Office, located at 505 Garrett Avenue, Chula Vista, CA 91910, during normal business hours. Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at (619) 409-6703 at least forty-eight (48) hours before the meeting, if possible.

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A Public Water Agency
Serving National City, Chula Vista and Surrounding Areas
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TO: Governing Board (Operations Committee)
FROM: Management
DATE: March 29, 2019
SUBJECT: Recommendation to Adopt Resolution 19-08, Amending and Adopting Local Guidelines for Implementing the 2019 California Environmental Quality Act

SUMMARY
The California Environmental Quality Act ("CEQA"), as contained in Public Resources Code sections 21000 et seq., is California's most comprehensive environmental law. It requires all public agencies within the state to evaluate the environmental effects of their actions before they are taken. CEQA also aims to prevent significant environmental effects from occurring as a result of agency actions by requiring agencies to avoid or reduce, when feasible, the significant environmental impacts of their decisions.

To this end, CEQA requires all public agencies to adopt specific objectives, criteria, and procedures for evaluating public and private projects that are undertaken or approved by such agencies.

The Authority's Legal Counsel, Best Best & Krieger (BBK), has prepared a proposed updated set of Local CEQA Guidelines for 2019 in compliance with CEQA's requirements. The Sweetwater Authority Local Guidelines for Implementing the California Environmental Quality Act reflect recent changes in the Public Resources Code, the State CEQA Guidelines and relevant court opinions. These Local CEQA Guidelines also provide instructions and forms for preparing all environmental documents required under CEQA.

The 2019 Local CEQA Guidelines are not attached due to the significant number of pages. However, a summary is attached identifying the changes that were made after the Board adopted the 2018 Local CEQA Guidelines. A copy of the entire 2019 Local CEQA Guidelines can be made available should the Directors so request.

PREVIOUS BOARD ACTION(S)
The Board considers the Local CEQA Guidelines on an annual basis.
Memo to: Governing Board (Operations Committee)
Subject: Recommendation to Adopt Resolution 19-08, Amending and Adopting Local Guidelines for Implementing the 2019 California Environmental Quality Act
March 29, 2019
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FISCAL IMPACT
There is no fiscal impact to implement this action.

POLICY
As a local public agency, the Authority must comply with CEQA in review and approval of all projects. As such, the Governing Board must adopt Local Guidelines and any revisions required to keep them up-to-date and consistent with the state Guidelines and Statutes.

Strategic Plan Goal 7: Environmental Stewardship: Provide core services while maintaining a balanced approach to human and environmental needs.

Adopting Local CEQA Guidelines is an essential aspect of achieving this goal.

ALTERNATIVES
1. Adopt Resolution 19-08, Sweetwater Authority Local Guidelines for Implementing the 2019 California Environmental Quality Act.

2. There are no other legal alternatives.

RECOMMENDATION
Staff recommends that the Governing Board adopt Resolution 19-08, Sweetwater Authority Local Guidelines for Implementing the 2019 California Environmental Quality Act.

ATTACHMENT(S)
1. Resolution 19-08
2. Summary of Changes to Local CEQA Guidelines for 2019
RESOLUTION OF THE GOVERNING BOARD OF SWEETWATER AUTHORITY
AMENDING AND ADOPTING LOCAL GUIDELINES
FOR IMPLEMENTING THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT (PUB. RESOURCES CODE §§ 21000 ET SEQ.)

WHEREAS, the California Legislature has amended the California Environmental Quality Act ("CEQA") (Pub. Resources Code §§ 21000 et seq.), the Natural Resources Agency has amended the State CEQA Guidelines (Cal. Code Regs., Title 14, §§ 15000 et seq.), and the California courts have interpreted specific provisions of CEQA; and

WHEREAS, Public Resources Code section 21082 requires all public agencies to adopt objectives, criteria and procedures for (1) the evaluation of public and private projects undertaken or approved by such public agencies, and (2) the preparation, if required, of environmental impact reports and negative declarations in connection with that evaluation; and

WHEREAS, Sweetwater Authority ("Authority") must revise its local guidelines for implementing CEQA to make them consistent with the current provisions and interpretations of CEQA.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of Sweetwater Authority:

SECTION 1. Adopts the “2019 Local Guidelines for Implementing the California Environmental Quality Act," a copy of which is on file at the offices of the Authority and is available for inspection by the public.

SECTION 2. Repeals all prior actions of the Authority enacting earlier guidelines.

APPROVED AND ADOPTED at a regular meeting of the Governing Board of Sweetwater Authority held on the 10th day of April, 2019, by the following vote, to wit:

AYES: 
NOES: 
ABSENT: 
ABSTAIN:

__________________________
Steve Castaneda, Chair

Attest:

__________________________
Ligia Perez, Board Secretary
Revisions to Local CEQA Guidelines for 2019

Revised Sections

1. **SECTION 1.10 TIME OF PREPARATION**

   Section 1.10 was added to the Local Guidelines to reflect existing case law and revisions to the State CEQA Guidelines regarding when CEQA review must be completed. The revision emphasizes the need to complete CEQA review before project approval; it also addresses when CEQA review is necessary for activities preceding project approval.

2. **SECTION 3.08 EMERGENCY PROJECTS**

   Section 3.08 of the Local Guidelines has been amended to clarify the applicability of CEQA’s exemption for emergency projects. Among other things, the Section has been amended to explain that exempt emergency repairs may include those repairs that require a reasonable amount of planning to address an anticipated emergency.

3. **SECTION 3.19 EXEMPTION FOR INFILL PROJECTS IN TRANSIT PRIORITY AREAS**

   Section 3.19 has been amended to reflect the statutory exemption set forth in Public Resources Code section 21155.4. Section 3.19 exempts residential, mixed-use, and certain commercial projects from CEQA where the project is located within a transit priority area, is consistent with a specific plan, and is consistent with regional plans for reducing greenhouse gas emissions.

4. **SECTION 3.20 EXEMPTION FOR RESIDENTIAL PROJECTS UNDERTAKEN PURSUANT TO A SPECIFIC PLAN**

   Section 3.20 reflects the statutory exemption set forth in Government Code section 65457, which exempts certain residential projects undertaken to implement a specific plan.

5. **SECTION 3.22 CATEGORICAL EXEMPTIONS**

   The Class 1 categorical exemption—set forth in Local Guidelines section 3.22—generally exempts, among other activities, minor alterations to existing facilities, provided the activity involves negligible or no expansion of use. The Class 1 exemption has been revised to clarify that a lead agency may determine whether an activity involves negligible or no expansion of use based on the facility’s "existing or former use," not just the use existing at the time of the lead agency’s determination.

6. **SECTION 4.03 COMPLETION AND ADOPTION OF NEGATIVE DECLARATION**

   Section 4.03 has been amended to reflect revisions to the State CEQA Guidelines regarding the time to complete a Negative Declaration. The revision provides that the Authority
must generally complete a Negative Declaration within 180 days of accepting a complete application, but that a one-time 90-day extension is permissible with the project applicant’s consent.

7. **SECTION 5.01 PREPARATION OF INITIAL STUDY**

   Section 5.01 has been amended to clarify the various arrangements the Authority, as Lead Agency, may use to prepare an Initial Study (e.g., preparing an Initial Study with Authority’s own staff, contracting with another entity to prepare an Initial Study, etc.).

8. **SECTION 5.09 DETERMINING THE SIGNIFICANCE OF TRANSPORTATION IMPACTS**

   One of the most significant revisions to the State CEQA Guidelines concerns a change in how transportation impacts must be analyzed under CEQA. A new section has been added to the State CEQA Guidelines, Section 15064.3, that provides that “vehicle miles traveled,” or VMT, shall be the most appropriate measure of transportation impacts. VMT refers to the amount and distance of automobile travel attributable to a project.

   Under Section 15064.3, VMT shall replace a proposed project’s effect on automobile delay—generally measured by “level of service” or LOS—as the appropriate measure for transportation impacts. Moreover, a project’s effect on automobile delay shall no longer constitute a significant transportation environmental impact under CEQA. Accordingly, a project that makes congestion worse but will not result in significant VMT will not be considered to have a significant environmental impact, and a project with no effect on congestion but with a significant VMT impact will normally be considered to have a significant environmental impact under Section 15064.3. Section 15064.3, however, provides that its provisions will not go into effect until July 1, 2020, unless a lead agency elects to be governed by its provisions earlier.

   Section 5.09 has been added to the Local Guidelines to acknowledge and address Section 15064.3. Section 5.09 makes clear that the Authority does not elect to be governed by the provisions of Section 15064.3 before July 1, 2020. Accordingly, the Authority may continue to engage in an LOS analysis to determine transportation impacts.

9. **SECTION 5.16 CONSULTATION WITH WATER AGENCIES REGARDING LARGE DEVELOPMENT PROJECTS**

   Section 5.16 has been amended to reflect the addition of a new subdivision (f) to State CEQA Guidelines section 15155; the new subdivision and Section 5.16 describe the content requirements for a water supply analysis under CEQA.

10. **SECTION 5.19 CLIMATE CHANGE AND GREENHOUSE GAS EMISSIONS**

    Section 5.19 has been revised to reflect a series of amendments to Section 15064.4 of the State CEQA Guidelines, which seeks to assist lead agencies in determining whether a project’s greenhouse gas emissions will have a significant effect on the environment. The Authority should review Section 5.19 when analyzing the significance of a project’s greenhouse gas emissions.
11. **Sections 6.04 & 7.03 Consultation with Public Transit Agencies**

Sections 6.04 and 7.03 have been supplemented with new language providing that the Authority should consult with public transit agencies before circulating a Notice of Intent to Adopt a Negative Declaration or Mitigated Negative Declaration or a Notice of Preparation of Draft Environmental Impact Report (EIR) where (1) the public transit agency has facilities within one-half mile of the proposed project, and (2) the proposed project is one of statewide, regional, or area-wide significance.

12. **Section 7.19 Consideration and Discussion of Significant Environmental Impacts**

Section 7.19 has been supplemented with new language—added to State CEQA Guidelines section 15126.2—requiring analysis of a project’s energy impacts. The new language further requires mitigation for significant environmental impacts due to wasteful, inefficient, or unnecessary use of energy or energy resources.

13. **Section 7.20 Environmental Setting**

Section 7.20 is a new section that reflects revisions to State CEQA Guidelines section 15125 concerning an EIR’s description of the environmental baseline. The new language explains that while the environmental baseline should normally reflect conditions as they exist at the time the Notice of Preparation is published, a lead agency may define the environmental baseline by referencing historic or future conditions in certain circumstances. The new language additionally explains that lead agencies may not use a baseline based on hypothetical allowable conditions, such as those that might be allowed—but have never actually occurred—under existing permits or plans.

14. **Section 7.22 Analysis of Mitigation Measures**

Section 7.22 has been revised, consistent with revisions to State CEQA Guidelines section 15126.4, to clarify that a lead agency may not defer identification of mitigation measures, but that deferral of specific details of mitigation until after project approval may be permissible under certain circumstances.

15. **Section 7.30 Response to Comments on Draft EIR**

Section 7.30 has been revised to clarify the scope of a lead agency’s duty to respond to comments on a Draft EIR. In particular, the section has been revised to state that the Authority may respond to a general comment with a general response. The section has further been revised to provide that a lead agency may provide its proposed written response to a commenting public agency in an electronic format.
Changes to Local Guidelines Form “J”

The comprehensive update to the State CEQA Guidelines included substantial revisions to Appendix “G” – the Initial Study checklist form. In response, we have revised Form “J” of the Local Guidelines. The current iteration of Form “J” should be used to determine whether a proposed project may have a significant environmental impact for which an EIR is required. The most significant revisions to Form “J” are summarized below.

1. **SECTION VI. ENERGY**

   A new section regarding a project’s energy impacts has been added to Form “J.” As a result, the Authority must now consider a proposed project’s energy impacts at the Initial Study stage.

2. **SECTION XVII, SUBDIVISION B. TRANSPORTATION**

   As discussed above, Section 15064.3 of the State CEQA Guidelines now provides that VMT—not LOS—is the most appropriate measure of transportation impacts. To reflect this change, Appendix “G” of the State CEQA Guidelines has been revised to provide that a project may result in a potentially significant impact if the project conflicts or is inconsistent with Section 15064.3(b)—i.e., if the proposed project results in VMT exceeding an applicable threshold of significance.

   Section 15064.3, however, does not apply until July 1, 2020, unless a public agency elects to be governed by its provisions earlier. Accordingly, we have revised the Transportation section of Form “J” to acknowledge Section 15064.3, but to explain that the Authority has not elected to be governed by its provisions and that a VMT analysis is thus not necessary to determine whether a proposed project will have a significant transportation impact. The Authority may continue to utilize the LOS analysis traditionally used to determine whether a project will have a significant transportation impact.

3. **SECTION XIX. WILDFIRE**

   A new section regarding a project’s potential to result in or exacerbate wildfire impacts has been added to Form “J.” The Authority must analyze the questions posed within this section for any project “located in or near state responsibility areas or lands classified as very high fire hazard severity zones.”

Other Changes

**Department of Fish and Wildlife.** Effective January 1, 2019, the Department of Fish and Wildlife has increased its fees. For a Negative Declaration or a Mitigated Negative Declaration, the new filing fee is $2,354.75. For an EIR, the new filing fee is $3,271.00. For an environmental document pursuant to a Certified Regulatory Program, the filing fee has been increased to $1,112.00.
TO: Governing Board (Operations Committee)
FROM: Management
DATE: March 29, 2019
SUBJECT: Consideration to Award a Contract - Vehicle Replacement Program - Light-Duty Trucks, Sport Utility Vehicle, and Ten-yard Dump Truck

SUMMARY
The FY 2018-19 Budget includes the purchase of three (3) light-duty trucks, one (1) sport utility vehicle, and one (1) ten-yard dump truck. They are recommended for replacement due to the following:

- Light-duty trucks
  - Repair/cost ratio - >50 percent (cost to repair divided by the original purchase price)
- Sport utility vehicle
  - Age - vehicle age is 12 years
- Ten-yard Dump Truck
  - Age - vehicle age is 15 years
  - Repair/cost ratio - 54 percent (cost to repair divided by the original purchase price)

Light-duty Trucks and Sport Utility Vehicle
To benefit from increased maintenance efficiencies, reduced operating cost, and streamlining the specification and bid process, the Authority has standardized its fleet. The standardized manufacture of light duty trucks and sport utility vehicles is Ford Motor Company (Ford).

The Purchasing Section issued a Request for Quote (RFQ) to seven (7) Ford dealerships. An advertisement was placed in the San Diego Union-Tribune, and the RFQ was posted on the Authority's website in an effort to reach additional dealerships.

The Authority requested alternate pricing as follows:

- Option "A" - Standard Fuel
- Option "B" - Pricing and Information regarding any dual fuel options for the same class of vehicle
Memo to: Governing Board (Operations Committee)
Subject: Consideration to Award a Contract - Vehicle Replacement Program – Light-Duty Trucks, Sport Utility Vehicle, and Ten-yard Dump Truck

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Three (3) bids were received in response to the RFQ, as shown on the attached Preliminary Bid Tabulation. Each bid included three (3) items, with each item representing a vehicle type. The quote submitted by Raceway Ford for Item #3 is non-responsive as the body builder is not within the Authority’s mileage requirement.

The summary of the lowest responsive bidders for each item are as follows:

<table>
<thead>
<tr>
<th>Bid Item</th>
<th>Lowest Responsive Bidder</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 One (1) Explorer, Four Door Sport Utility Vehicle, 4x4</td>
<td>Penske Ford – La Mesa</td>
<td>$33,973.10</td>
</tr>
<tr>
<td>#2 Two (2) F250, 3/4 Ton, Extended Cab, HD, 4X2, Pick-Up</td>
<td>Raceway Ford</td>
<td>$62,531.36</td>
</tr>
<tr>
<td>#3 One (1) F350, Dual Rear Wheel, 1 Ton, Landscape Bed, HD, 4X4, Chassis Cab</td>
<td>Penske Ford – La Mesa</td>
<td>$74,465.57</td>
</tr>
</tbody>
</table>

Ten-yard Dump Truck

Staff utilized Sourcewell (formerly National Joint Powers Alliance) to obtain quotes from companies for a ten-yard dump truck. Sourcewell offers competitively solicited cooperative contracts by combining the purchasing power of 50,000 government, education, and nonprofit organizations. This approach simplifies the procurement process while still providing for a competitive bidding environment. Sourcewell conducts the competitive bidding, locks in a low bid, and provides that low bid to public entities who utilize their contracts.

To benefit from increased maintenance efficiencies, reduced operating cost, and streamlining the specification and bid process, the Authority has standardized its fleet. The standardized manufacture of dump trucks (4 cubic yard – 10 cubic yard) is International. Dion International Trucks is the local International dealer, and the Authority has utilized Dion International Trucks in the past with no concerns.

After reviewing the specifications and quote, staff recommends proceeding with a direct purchase.

<table>
<thead>
<tr>
<th>Dealership</th>
<th>Description</th>
<th>Total Purchase Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dion International Trucks</td>
<td>International HX620 Ten-yard Dump Truck</td>
<td>$178,854.34</td>
</tr>
</tbody>
</table>
Memo to: Governing Board (Operations Committee)
Subject: Consideration to Award a Contract - Vehicle Replacement Program – Light-Duty Trucks, Sport Utility Vehicle, and Ten-yard Dump Truck
March 29, 2019
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PREVIOUS BOARD ACTION(S)
March 29, 2019 – Board referred this item back to the Operations Committee.

June 13, 2018 – Board adopted Resolution 18-12: Adopting a Budget for the Fiscal Year 2018-2019

FISCAL IMPACT
The FY 2018-19 Budget includes funding to purchase five (5) replacement vehicles.

- Budgeted Amount $354,000.00
- Less Purchase $349,824.37
- Balance $4,175.63

POLICY
The Authority’s Procurement Policy requires that the Governing Board approve all equipment purchases in excess of $75,000.

Strategic Plan Goal 2: System and Water Supply Reliability: Achieve an uninterrupted, long-term water supply through investment, maintenance, and innovation.

- Objective SR4: Maintain and replace fleet vehicles and equipment in accordance with manufacturers’ recognized standards and practices, and the Authority’s Fleet Maintenance and Replacement Program.
  - 002.00 Evaluate individual vehicle and equipment costs annually, and identify minimum replacement schedules based on the following criteria:
    - Age > 10 years, Mileage > 100,000, and Repair/Cost Ratio > 50%

ALTERNATIVES
1. Declare bid for Item #3 from Raceway Ford as non-responsive; and award contracts as follows: $108,438.67 to Penske Ford, La Mesa, CA., for bid items #1 ($33,973.10) and #3 (74,465.57); $62,531.36 to Raceway Ford, Riverside, CA., for bid item #2; and $178,854.34 to Dion International Trucks, San Diego, CA., for the purchase of one (1) HX620 Ten-yard Dump Truck.

2. Reject all bids and provide direction to staff.
STAFF RECOMMENDATION

Staff recommends that the Governing Board Declare bid for Item #3 from Raceway Ford as non-responsive; and award contracts as follows: $108,438.67 to Penske Ford, La Mesa, CA., for bid items #1 ($33,973.10) and #3 (74,465.57); $62,531.36 to Raceway Ford, Riverside, CA., for bid item #2; and $178,854.34 to Dion International Trucks, San Diego, CA., for the purchase of one (1) HX620 Ten-yard Dump Truck.

COMMITTEE RECOMMENDATION

On March 20, 2019, the Operations Committee concurred with staff recommendation.

ATTACHMENT(S)

Preliminary Bid Tabulation
## Bid Tabulation

**RFQ S2018-81**

<table>
<thead>
<tr>
<th>Bid Item #1 Option A</th>
<th>Raceway Ford</th>
<th>Sunroad Auto DBA Kearny Pearson Ford</th>
<th>Penske Ford - La Mesa</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Bid</td>
<td>No Bid</td>
<td>$34,284.58</td>
<td>$33,973.10</td>
</tr>
</tbody>
</table>

<table>
<thead>
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<th>No Bid</th>
<th>No Bid</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
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<th>Sunroad Auto DBA Kearny Pearson Ford</th>
<th>Penske Ford - La Mesa</th>
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</thead>
<tbody>
<tr>
<td>No Bid</td>
<td>No Bid</td>
<td>$62,531.36</td>
<td>$63,349.15</td>
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<th>No Bid</th>
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</table>

<table>
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<th>Bid Item #3 Option A</th>
<th>Raceway Ford</th>
<th>Sunroad Auto DBA Kearny Pearson Ford</th>
<th>Penske Ford - La Mesa</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>$61,601.49</em></td>
<td>$74,741.33</td>
<td>$74,465.57</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bid Item #3 Option B</th>
<th>No Bid</th>
<th>No Bid</th>
<th>No Bid</th>
</tr>
</thead>
</table>

*The bid submitted by Raceway Ford for Item #3 is non-responsive as the body builder is not within the Authority’s mileage requirement.*
California Environmental Quality Act (CEQA)
Presentation Outline

- Background and Implementation
- The CEQA Process
- CEQA Compliance Costs
- Agency Requirement to Adopt CEQA Procedures
Background and Implementation

- Enacted by California in 1970
- Sets environmental policy in California

CEQA Objectives:
- Disclose environmental impacts of projects to public
- Disclose the agency decision making process for project approvals
- Identify ways to avoid or reduce environmental impacts
- Prevent impacts by implementing feasible alternatives or mitigation measures
- Improve interagency coordination in the environmental review process
- Enhance public participation in the environmental review process
CEQA Process

Activity is subject to CEQA if:

- It involves the exercise of an agency’s discretionary powers
- Has the potential to result in a physical change in the environment
- Falls within the definition of a “project”

CA CR 15378: “Project” means the whole of an action which has the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment
CEQA Process

Phase 1 ➔ Preliminary Review
• Is the proposed action a “Project”? 
• CEQA Categorical and Statutory exemptions.

Phase 2 ➔ Initial Study
• Complete Initial Checklist, supported by Technical Studies
• Decision to prepare Negative Declaration (ND) or Environmental Impact Report (EIR)

Phase 3 ➔ Preparation of ND or EIR
Preliminary Review
Exemptions from CEQA

Statutory Exemptions
• Feasibility / Planning Studies (e.g. Urban Water Management Plan)
• Emergency Actions
• Pipeline installation/repair
  - less than 1 mile long, in ROW
• Ministerial actions
  - Approval of individual utility service connections and disconnections

Categorical Exemptions
• Existing Facilities (operation, repair, maintenance, minor alterations)
• Construction or conversion of small structures
• Information Collection
• Enforcement Actions, Inspections
• Small Habitat Restoration Projects

Optional Filing
• Notice of Exemption – reduce review/challenge period from 180 to 30 days
Initial Study

- **Purpose:** Determine if an EIR or ND should be prepared.
- **Environmental factors analyzed:**
  - Aesthetics
  - Biological Resources
  - Greenhouse Gas
  - Emissions
  - Land Use / Planning
  - Population / Housing
  - Transportation / Traffic
  - Mandatory Findings of Significance
  - Agriculture and Forestry Resources
  - Cultural Resources
  - Hazards & Hazardous Materials
  - Mineral Resources
  - Public Services
  - Tribal Cultural Resources
  - Air Quality
  - Geology / Soils
  - Hydrology / Water Quality
  - Noise
  - Recreation
  - Utilities / Service Systems

- **Technical focus depends on project and anticipated impacts**

  - Less than significant impacts → Negative Declaration
  - Less than significant impacts with mitigation incorporated → Mitigated Negative Declaration
  - Potentially significant impacts → Environmental Impact Report
### Negative Declaration, Mitigated ND

- **Initial Study**
  - Technical Studies
- **Notice of Availability of Draft ND**
  - Public review period (30 days)
- **Final Negative Declaration (optional)**
  - Response to Comments
  - Mitigation Monitoring and Reporting Program if Mitigated ND
- **Consideration and Adoption**
- **Decision on Project**
- **If adopted, Filing of Notice of Determination**

### Environmental Impact Report

- **Initial Study (optional)**
  - Technical Studies
- **Notice of Preparation sent to Responsible Agencies**
- **Notice of Completion of Draft EIR**
  - Notice of Availability
  - Public review period (60 days)
- **Final EIR and Response to Comments**
  - Findings of Overriding Considerations
  - Mitigation Monitoring and Reporting Program
- **Consideration and Certification**
- **Decision on Project**
- **If certified, Filing of Notice of Determination**
CEQA Compliance Costs

Wide range of costs, depending on project scope and impacts

Notice of Exemption
+ Recording Fee ($ 50)
+ Staff Time

Negative Declaration, Environmental Impact Report
+ Environmental Filing Fee ($2400 for NDs or $3300 for EIRs)
+ Recording Fee
+ Staff Time
+ Consultant Services (e.g. Technical Documents)
+ Post CEQA Process Compliance Activities
Agency Requirements to Adopt CEQA Procedures

- Public agencies must adopt CEQA implementation procedures that are consistent with CEQA and the State CEQA Guidelines
- State CEQA Guidelines updated in December 2018
Questions?
Agency Requirement to Adopt CEQA Procedures

Public agencies must adopt CEQA implementation procedures that are consistent with CEQA and the State CEQA Guidelines.

Implementing procedures should include:
- Identifying activities that are exempt from CEQA
- Conducting initial studies
- Preparing negative declarations
- Consulting with other agencies
- Ensuring adequate opportunities for public review and comment
- Evaluating and responding to comments
- Assigning responsibility for determining the adequacy of environmental documents
- Reviewing and considering environmental documents by decision makers
- Filing environmental documents
- Submitting comments to other agencies
- Assigning CEQA functions to agency staff
- Providing time periods for performing CEQA functions
Initial Study

Thresholds of Significance

• Established health standards (e.g. air pollution, water pollution)
• Capacity standards (e.g. traffic, water supply)
• Ecological tolerance standards
• Recommended guidelines developed by agencies or professional associations

Tools for determining significance of impacts

• CEQA Statute and State CEQA Guidelines
• Agency adopted regulatory standards
• Consultation with other agencies
• Agency thresholds of significance

Substantial evidence based arguments

• Facts
• Reasonable assumptions predicated on facts
• Expert opinion supported by facts
Sweetwater Authority

Vehicle Maintenance Cost Summary

For

1) Dump Truck # 03-34
2) SUV # 06-54
3) F – 350 # 09-55
   Chipper Truck
4) Pickup Truck # 07 – 05
5) Pickup Truck # 07 - 36
Maintenance Grouping
And
Evaluation Criteria

Category 1 – Routine / Preventive Maintenance
Manufacturer recommended maintenance to extend the service life of the vehicle like engine oil changes

Category 2 – Normal Wear Maintenance
Items that can be expected to wear out like tires, brakes, sparkplugs and windshield wiper blades whether the vehicle is new or old

Category 3 – Corrective Maintenance
An item that if replaced or repaired restores the original form, fit, or function that the vehicle was purchased with such as missing shift knob, replacement of broken brake red light lens, missing fuel filler cap, seat repair, repair of A/C system, etc.
Vehicles

1. Dump Truck #03-34
   Cost Analysis
   Category 1. $23,606.46  44%  oil
   Category 2. $11,145.80  21%  wear
   Category 3. $19,259.04  36%  form, fit and function
   Total  $54,011.30
   Age  16 years
   Mileage  77,260

2. SUV #06-54
   Cost Analysis
   Category 1. $5,890.90  55%
   Category 2. $1,469.51  14%
   Category 3. $3,380.07  31%
   Total  $10,740.48
   Age  13 years
   Mileage  57,083

3. F-350 #09-55
   Cost Analysis
   Category 1. $5,142.49  20%
   Category 2. $6,602.19  26%
   Category 3. $14,066.29  54%
   Total  $25,810.97
   Age  10 years
   Mileage  54,381
4. **Pickup Truck  #07-05**  
   **Cost Analysis**  
   - Category 1. $6,639.31  52%  
   - Category 2. $2,961.86  23%  
   - Category 3. $3,184.80  25%  
   - Total $12,786.31  
   **Age**  12 years  
   **Mileage**  100,852  

5. **Pickup Truck  #07-36**  
   **Cost Analysis**  
   - Category 1. $7,961.81  55%  
   - Category 2. $3,872.13  27%  
   - Category 3. $2,716.46  19%  
   - Total $14,550.40  
   **Age**  12 years  
   **Mileage**  118,464
Comparison

Sweetwater Authority
Vehicle Replacement Criteria

vs.

Private Sector
Sweetwater Authority Criteria for replacing vehicles

1) All maintenance and repair costs are used
2) Vehicle has over 100,000 miles
3) Vehicle is over 10 years old

Regarding Cost data: to calculate cost ratio, > 50%

1. SWA incorrectly added routine maintenance costs in its’ cost data

Routine maintenance is a necessary cost whether the vehicle is new or old

2. SWA incorrectly added wear maintenance items in its’ cost data

Fixing tire punctures, replacing tires, brakes, etc. can be expected during vehicle life as required maintenance items whether the vehicle is new or old

3. SWA incorrectly added corrective maintenance items in its’ cost data

Replacing items like a broken tail light cover, alternator, battery, etc. actually extend the life of the vehicle back to the original purchased condition

Private Sector evaluates only possible future cost or repairs and maintenance to determine a cost ratio ... cost / new vehicle cost  >50%

Regarding a 100,000 mile replacement criteria (SWA criteria)

1. SWA looks at replacement of a vehicle at a 100,000 mile point

Private Sector - This is an antiquated number. If a number is used, 200,000 miles for gasoline powered vehicles would be more appropriate, 300,000 miles for diesel. However, condition of the vehicle is a better replacement consideration than mileage

Regarding a 10 year life issue for replacement (SWA criteria)

Private Sector - Condition is a much better evaluation criteria than age
Additional Information related to previous page as background:

1) SWA has indicated that they use economic Life Cycle Costing (LCC) for vehicle replacement criteria. However, there is nothing to indicate this. LCC is usually displayed in a spreadsheet format. This is also noted in the government website referenced by SWA. Life cycle maintenance considers acquisition, maintenance, operational and disposal costs. Additionally a complete and accurate costing will include:

- interest costs for capital expenditures.
- inflation rate for adjusting lifecycle maintenance and operating costs.
- vehicle depreciation rate in the first year and the rate in subsequent years.
- purchase cost of vehicle.
- estimated maintenance and operating costs

SWA follows a very conservative and expensive replacement criteria. The factors for mileage and vehicle life are probably based on the 1950s and 1960s maintenance philosophy. The US automotive design at that time was to design for a life of 100,000 miles at an average speed of 45 miles per hour (MPH).

Current engine and transmission design philosophy is for tighter internal part clearances, together with fuel injection which reduces oil dilution and improved oil and other lubricants results in engine and drive train expected life of over 200,000 miles for gasoline powered vehicles and 300,000 for diesel. This is an expected life for light and general duty vehicles. Off street and construction type equipment is normally retained longer.

A. The private sector uses a ratio of expected future costs to new equipment cost as an indicator of replacement need. If expected corrective maintenance and repairs exceed 50% of replacement cost, consideration is given to replace rather than repair.

Note that the criteria is **expected** future costs, not already expended costs.
Private Sector Maintenance Philosophy

1. If the **future** cost to repair exceeds 50% of the cost of new, replace it.

2. Condition is the determining factor for replacement:
   
   a. Not mileage
   
   b. Not age

3. Do not neglect costs like depreciation expense of a new vehicle,
   
   The depreciation expense of an old vehicle is essentially **zero**.
Conclusions

1. Present vehicle purchases are not economically justified.

2. Just because an item is included in the budget, is not additional justification to spend money.

3. Sweetwater Authority should revise its' criteria to analyze vehicle replacement.