



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

OFFICE OF WATER

**Categorical Exclusion**  
**For the Biosolids Digester Facilities Project (BDFP)**

**Pursuant to 40 CFR §6.204**

The U.S. Environmental Protection Agency (EPA) is planning to award a loan under the Water Infrastructure Finance and Innovation Act (WIFIA) to the San Francisco Public Utilities Commission (SFPUC). The EPA intends for this loan to fund the Biosolids Digester Facilities Project (BDFP).

EPA's authorization of financing for the proposed project is a federal action requiring compliance with the National Environmental Policy Act (NEPA), 42 USC §§ 4321-4370(f). According to the Council on Environmental Quality's NEPA regulations, 40 CFR § 1508.4, a federal agency may categorically exclude an action from detailed environmental review as long as the action does not individually or cumulatively have a significant effect on the human environment. An action undertaken by EPA can qualify as a categorical exclusion if it falls under any category within 40 CFR § 6.204(a), and does not exhibit any of the extraordinary circumstances listed in § 6.204(b).

**Project Description**

The San Francisco Public Utilities Commission (SFPUC) proposes to construct new solids treatment, odor control, energy recovery, and associated facilities as part of improvements to the wastewater treatment facilities at the existing Southeast Water Pollution Control Plant (Southeast Plant or SEP), located in the southeast part of San Francisco. The BDFP would replace the outdated existing solids treatment facilities with more reliable, efficient, and modern technologies and facilities. The project would replace the existing digesters with new digesters and other new facilities that produce higher-quality biosolids, capture and treat odors more effectively, and maximize digester gas utilization and energy recovery for the production of heat, steam, and electrical power. In addition, the project would locate the digesters farther away from existing residences, limit project-generated odors to the SEP fence line, and make visual improvements in and around the SEP.

**Eligibility for Categorical Exclusion**

This project is eligible for a categorical exclusion under 40 CFR § 6.204(a)(1)(ii), which requires that projects be:

“Actions relating to existing infrastructure systems (such as sewer systems; drinking water supply systems; and stormwater systems, including combined sewer overflow systems) that involve minor upgrading, or minor expansion of system capacity or rehabilitation (including functional replacement) of the existing system and system components (such as the sewer collection network and treatment system; the system to collect, treat, store and distribute drinking water; and stormwater systems, including combined sewer overflow systems) or construction of new minor ancillary facilities adjacent to or on the same property as existing facilities.”



The proposed project affects an existing treatment system, and it constitutes a minor upgrade or expansion, and it does not change the number or location of the system's outfalls. This minor upgrading of an existing system is expressly listed as a permissible categorical exclusion under 40 CFR § 6.204(a)(1)(ii).

Additionally, in order to qualify as a categorical exclusion, a project cannot fall within any of the exceptions listed under 40 CFR § 6.204(a)(1)(ii). Accordingly, projects cannot be designated categorical exclusions if they:

“involve new or relocated discharges to surface or ground water; will likely result in the substantial increase in the volume or the loading of pollutant to the receiving water; will provide capacity to serve a population 30% greater than the existing population; are not supported by the state, or other regional growth plan or strategy; or directly or indirectly involve or relate to upgrading or extending infrastructure systems primarily for the purposes of future development.”

First, this project will allow for the continued discharge of water from the existing outfall connected to this combined sewer system, although there will be a slight change in volume and water chemistry. The proposed project will not change the existing outfall location. After the proposed upgrades to the system are completed, changes in effluent pollutants and flow will be de minimus, and effluent will continue to fit within the system's existing NPDES permit effluent limitations, which are set at levels necessary to protect the designated beneficial uses of San Francisco Bay.<sup>1</sup> In sum, this project does not involve a new or relocated discharge. Second, this project is not likely to place a substantially higher quantity of pollutants into the receiving water. Third, this project will not be providing capacity to serve a population 30 percent greater than the existing population. Fourth, the project does not conflict with any regional growth strategy as the project location. Fifth and finally, the project's purpose is not to upgrade infrastructure for future development; instead, the goal of the project is to replace existing aged and unreliable solids processing facilities with new, modern, and efficient facilities to ensure long-term sustainability of the SEP wastewater treatment system.<sup>2</sup>

### **Extraordinary Circumstances**

EPA has determined that none of the following extraordinary circumstances outlined in 40 CFR § 6.204(b) apply to the proposed project:

1. *The proposed action is not known or expected to have potentially significant environmental impacts on the quality of the human environment either individually or cumulatively over time.* This project is being developed to reduce environmental impacts by producing higher-quality biosolids, capturing and treating odors more effectively, and maximizing digester gas utilization and energy recovery to produce heat, steam, and electrical power.<sup>3</sup>
2. *The proposed action is not known or expected to have disproportionately high and adverse human health or environmental effects on any community, including minority communities, low-income communities, or federally-recognized Indian tribal communities.* The block groups around the site of the proposed action have a minority population that ranges from 57 to 100 percent, which is similar or higher than the 61 percent minority population in California as a whole and is similar or higher than the 59 percent minority population for San Francisco County. As minority demographic data equals or exceeds 50 percent of the population in both block groups, environmental justice communities are present. Block groups around the site have a low-

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<sup>1</sup> BDFP Water Quality Analysis Supplemental Information Memorandum (February 2018).

<sup>2</sup> Biosolids Digester Facilities Project Biological Resources Technical Report (April 2018).

<sup>3</sup> BDFP Draft Environmental Impact Report (May 2017).



income population ranging from 28 to 87 percent, which compare to 36 percent in California and 27 percent for San Francisco County.<sup>4</sup> As low-income populations in portions of the project area are meaningfully greater than state and county low-income populations, environmental justice communities are present. No tribal areas were identified at the project location.

Minor, short-term impacts on communities during construction may occur such as noise, vibration, increased construction traffic, temporary roadway detours, and erosion and runoff, which would be reduced by following SFPUC's Standard Construction Measures, other construction Best Management Practices (BMPs), a Construction Noise Control Plan and a Traffic Control Plan.<sup>5</sup> At completion of the project, improved facilities will be located further from nearby residences and existing noticeable odors will be further limited, which will benefit surrounding EJ communities. Odor Control would include one central solids odor control facility with biofilter cells, ammonia scrubbers, and odor control fans. The project would improve the environmental health conditions of the area and result in long-term benefits, and protect public health and safety. Therefore, implementation of the project would not result in disproportionately high and adverse impacts on minority and low-income populations.

3. *The proposed action is not known or expected to significantly affect federally listed threatened or endangered species or their critical habitat.* On January 25, 2018 obtained the species list from the Sacramento Fish and Wildlife Office and San Francisco Bay Delta Fish and Wildlife Office. On January 24, 2018, a species list was obtained from the National Marine Fisheries Service using the California Species List Tool webpage. In April 2018, a Biological Resources Technical Report, which contains each of species lists in Appendix C, was developed to determine the extent to which the proposed action may affect federally listed species or critical habitat. On April 17, 2018, EPA notified the U.S. Fish and Wildlife Service and the National Marine Fisheries Service that EPA has reached a determination of "No Effect" for the project based on the Biological Resources Technical Report. No response or objection was received after 30 days from U.S. Fish and Wildlife and National Marine Fisheries Service; therefore the "No Effect" determination is considered final.<sup>6</sup>
4. *The proposed action is not known or expected to significantly affect national landmarks or any property with nationally significant historic, architectural, prehistoric, archaeological, or cultural value, including but not limited to, property listed on or eligible for the National Register of Historic Places.* EPA has reviewed the cultural resources documents provided for the Biosolids Digester Facilities Project and has determined that historic properties will be adversely affected by the described undertaking. On February 28, 2018 EPA received the California Office of Historic Preservation's (OHP) concurrence that the proposed undertaking will adversely affect historic properties.

As OHP recommended, EPA has prepared a Memorandum of Agreement (MOA) for the above-mentioned Project in compliance with Section 106 of the National Historic Preservation Act of 1966, as amended, which is enclosed for your review. The MOA outlines the OHP approved mitigation for the adverse effects to historic properties. The draft MOA<sup>7</sup> has been shared with all

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<sup>4</sup> EJScreen reports for project area block groups and San Francisco County (April 2018).

<sup>5</sup> BDFP Draft Environmental Impact Report (May 2017).

<sup>6</sup> Biosolids Digester Facilities Project Biological Technical Report (April 2018).

<sup>7</sup> Draft Memorandum of Agreement for San Francisco Public Utilities Commission's (SFPUC) Biosolids Digester Facilities Project, SHPO Reference #: EPA\_2017\_1226\_001 (April 2018). Note: when final signed MOA is complete, it will be added as supporting documentation to this document.



parties and all parties have been given the opportunity to review and provide comments. Parties have discussed the elements and content of the MOA. Based on coordination with all parties, EPA anticipates the MOA will be finalized and signed by all parties shortly. Although there will be adverse effects to a historic property, effects are not expected to significantly affect nationally significant historic resources.

5. *The proposed action is not known or expected to significantly affect environmentally important natural resource areas such as wetlands, floodplains, significant agricultural lands, aquifer recharge zones, coastal zones, barrier islands, wild and scenic rivers, and significant fish or wildlife habitat.* The project area does not contain any agricultural lands, wetlands, or federally recognized wild and scenic rivers. There is a wetland approximately 100 feet north of the off-site Pier 94 staging area; however, this wetland is separated from the project area by a physical barrier and will not be affected by the project. The near-shore areas of the Piers 94 and 96 staging areas are located within an existing 100-year flood zone. However, these areas would be used for construction staging only and no employees would permanently work in these areas. The project would not include the construction of any structures in the flood zone that could impede or redirect flood flows (or, consequently, exacerbate flood hazards). The San Francisco Bay adjacent to the project area is designated by the National Marine Fisheries Service as an essential fish habitat. The project would not result in a violation of the existing NPDES permit or degrade water quality, and would therefore not significantly affect essential fish habitat.<sup>8</sup>
6. *The proposed action is not known or expected to cause significant adverse air quality effects.* The San Francisco Bay Area Air Basin (SFBAAB) is designated as either in attainment or unclassified for most criteria pollutants with the exception of ozone, PM<sub>2.5</sub>, and PM<sub>10</sub>, for which the SFBAAB is designated as non-attainment for either the state or federal standards. The emissions associated with this project, which are anticipated to derive from the exhaust of mobile equipment and fugitive dust from earthmoving, are not predicted to affect the area's attainment of air quality standards. At completion of the project, improved facilities will be located further from nearby residences and existing noticeable odors will be further controlled by one central solids odor control facility with biofilter cells, ammonia scrubbers, and odor control fans, which will improve local ambient air quality.<sup>9</sup>
7. *The proposed action is not known or expected to have a significant effect on the pattern and type of land use (industrial, commercial, agricultural, recreational, residential) or growth and distribution of population including altering the character of existing residential areas, and is not expected to be inconsistent with state or local government, or federally-recognized Indian tribe approved land use plans or federal land management plans.* The project site is situated entirely on previously disturbed land that is currently the location of existing wastewater treatment facilities. The Southeast Water Pollution Control Plant (Southeast Plant or SEP) is located in San Francisco's Bayview-Hunters Point neighborhood, in an area consisting of a mix

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<sup>8</sup> Biosolids Digester Facilities Project Biological Technical Report (April 2018) and U.S. Forest Service, National Park Service, Bureau of Land Management, and the US Fish and Wildlife Service National Wild and Scenic Rivers System data accessed through <https://www.rivers.gov/river-app/index.html?state=CA>. for project site (March 2018).

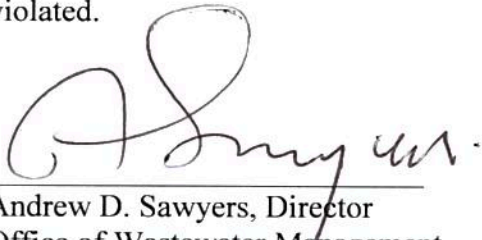
<sup>9</sup> BDFP Draft Environmental Impact Report (May 2017) and U.S. EPA Non-attainment Area data accessed through NEPAassist for project site (April 2018).

of residential, commercial, and light/heavy industrial land uses.<sup>10</sup> No changes to land use are anticipated from the project.

8. *The proposed action is not known or expected to cause significant public controversy about a potential environmental impact of the proposed action.* The project would result in beneficial outcomes, such as improvements to odor and air quality, and increased energy recovery, and is not expected to cause significant public controversy.
9. *The proposed action is not known or expected to be associated with providing financial assistance to a federal agency through an interagency agreement for a project that is known or expected to have potentially significant environmental impacts.* The proposed action is to provide financial assistance and is not known or expected to have potentially significant impacts.
10. *The proposed action is not known or expected to conflict with federal, state, local government, or federally-recognized Indian tribe environmental, resource-protection, or land-use laws or regulations.* The project would comply with all applicable federal, state and local regulations.

### **Finding**

The EPA finds that the proposed action is eligible for exclusion from detailed environmental review under 40 CFR § 6.204(a)(1)(ii), and will not involve any of the extraordinary circumstances delineated under 40 CFR § 6.204(b). Consequently, the EPA will not prepare an environmental impact statement or an environmental assessment for the proposed project. The EPA may revoke this categorical exclusion if changes in the proposed action render it ineligible for exclusion or if new evidence emerges which indicates that serious local or environmental issues exist or federal, state, or local laws would be violated.



Andrew D. Sawyers, Director  
Office of Wastewater Management

6/20/18  
Date

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<sup>10</sup> BDFP Draft Environmental Impact Report (May 2017).

