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June 08, 2023

ADDENDUM TO THE MITIGATED NEGATIVE DECLARATION IS 19-09 RED HILLS BIOENERGY PROJECT

7130 Red Hills Rd, Kelseyville, CA

CEQANET ID: <https://ceqanet.opr.ca.gov/2020010407/2>

PROJECT SUMMARY: The applicant, Scotts Valley Energy Corporation is proposing changes to the previously approved Initial Study IS 19-09, for Use Permit UP 19-05, which allows for the construction and operation of a small-scale bioenergy production facility using woody biomass to produce syngas and biochar, heretofore known as the “Approved Project.” The revised footprint will entail the original 40’ x 50’ building, relocated 40 feet further east of Red Hills Road, the elimination of the 28,000 square foot outdoor biomass processing area, as well as the elimination of the section of the lane and turn around located on the east side of this processing/storage area heretofore known as the “Revised Project”

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LIST OF ACRONYMS

CERS	California Electronic Reporting System
CEQA	California Environmental Quality Act
CH	Highway Commercial
D	Areas of undetermined, but possible, flood hazard risk
EIR	Environmental Impact Report
LED	Light Emitting Diode
LCAQMD	Lake County Air Quality Management District
LCEH	Lake County Department of Environmental Health
MND	Mitigated Negative Declaration
PG&E	Pacific Gas and Electric
RL	Rural Lands
RR	Rural Residential
SVBPI	Scotts Valley Band of Pomo Indians
SWPP	Storm Water Protection Plan
SWRCB	State Water Resources Control Board
USDA	United States Department of Agriculture
UP	Use Permit
X	Areas of minimal flooding

I. INTRODUCTION

This section provides introductory information such as the Revised Project title, the applicant, and the lead agency.

The purpose of this Addendum is to address the potential environmental impacts of the relocation and reduction of the project within the previously assessed and adopted site footprint. Pursuant to Section 15164 of the State CEQA Guidelines, the lead agency or responsible agency shall prepare an addendum to a previously approved environmental document if some changes or additions are necessary but none of the conditions described in Section 15162 calling for the preparation of a new or expanded MND have occurred. The scope of this addendum focuses on the environmental effects that are associated with the reduction and minor changes in project area and activities, as well as a relocation of the project 40 feet further east of Red Hills Road or approximately 180 feet from said road.

PROJECT INFORMATION

Lead Agency Name and Address:	County of Lake Community Development Department Courthouse, 3 rd Floor, 255 North Forbes Street Lakeport, CA 95453
Contact Person:	Katherine Schaefer, Resource Planner (707) 263-2221
Applicant:	Scotts Valley Energy Corporation
Project Location(s):	7130 Red Hills Rd, Kelseyville, CA
APN:	009-021-07
Project Name & Address:	Scotts Valley Energy Corporation 1005 Parallel Drive, Lakeport, CA
General Plan Designation:	RL; Rural Lands
Zoning:	Split Zoned: "RR", "SC" "CH"; Rural Residential – Scenic Combining– Highway Commercial
Supervisor District:	District 5
Flood Zone:	"D": Areas of undetermined, but possible, flood hazard risk; "X" Areas of minimal flooding – not in a special flood hazard area
Fire Hazard Severity Zone:	Moderate Risk (Project Site), Very High Risk
Earthquake Fault Zone:	None
Dam Failure Inundation Area:	Not located within Dam Failure Inundation Area
Parcel Size:	Approximately 34.58 acres

I. PROJECT DESCRIPTION

This section provides a detailed description of the Revised Project, including Project characteristics and environmental review requirements.

PROJECT LOCATION

The Project Site is located at 7130 Red Hills Road, approximately six miles east of the town of Kelseyville, on the southeast corner of the intersection of State Highway 19 and Red Hills Rd, approximately 900 feet south of the intersection.

PROJECT BACKGROUND

Entitlement History

Pursuant to the California Environmental Quality Act (CEQA), a Mitigated Negative Declaration was prepared for the Red Hills BioEnergy Project, UP 19-05; IS 19-09 by the County of Lake and published on January 27, 2020 (CEQANET ID: <https://ceqanet.opr.ca.gov/2020010407/2>). The County of Lake Planning Commission approved the Project on April 23, 2020. The Project was subsequently appealed to the Lake County Board of Supervisors (AB 20-01), who then approved the Project on August 18, 2020. The Project's CEQA determination was then challenged in the Superior Court of California, wherein all parties reached an agreement that necessitated minor project changes, and additional Conditions of Approval. The applicant has resubmitted their permit for an Amendment to their Approved Project under Article 60.3 Chapter 21 of the Lake County Ordinance, with the project changes included in the project description and site plan.

Description of the Approved Project Presented in the MND

The applicant is requesting approval of a major use permit (UP 19-05) to allow for the development of a small-scale bioenergy production facility using woody biomass to produce syngas and biochar. The syngas will power the generators that run the system. Biochar is a by-product of the bioenergy process that functions as an agricultural or forestry soil amendment. The total footprint of the Project is 43,350 sf, which includes:

- Removal of 25 walnut trees (including 5 dead trees or stumps), grass and brush; and minor grading of ~45 cubic yards for site preparation; no import/export of soils;
- 2,000-sf (40 ft x 50 ft), six-inch deep concrete pad to house the bioenergy equipment (production plant pad), offset 140 ft from the edge of Red Hills Road (County road);
- Production Plant: two (2) fully automated Omni BioEnergy Aris 100kW gassifiers and two (2) electrical generators fueled by the syngas generated by the plant that will operate 24 hours per day/days per week except for maintenance;
- 16-ft high, 2,000 sf metal building enclosing the production plant, with gutters and downspouts draining to a French drain system around the pad that will discharge into a rock energy dissipator in the field;

- 20-ft wide gravel road around the perimeter of the pad;
- 8-ft high chain link fence around the gravel perimeter of the pad with lockable gates on the east and south sides;
- 28,000-sf permeable outdoor storage area on the east side of the production plant to receive, process and store woody feedstock into ¼-inch wood chips, including a front-end loader, chipper, hammermill, and an enclosed-bed truck; surfaced with wood chips;
- (2) 20-ft wide lanes on two sides of the storage area with a hammerhead “T” to allow delivery trucks to turn around;
- Connection to 240v/three-phase/100-amp overhead electrical service from PG&E at utility pole located on Red Hills Road;
- Downcast, exterior LED lighting for the building; up to four (4) new light posts consistent with existing light posts on the property; and
- 2-5 deliveries of feedstock daily, Monday – Friday; less frequent outgoing deliveries of biochar.

ADDENDUM CHARACTERISTICS

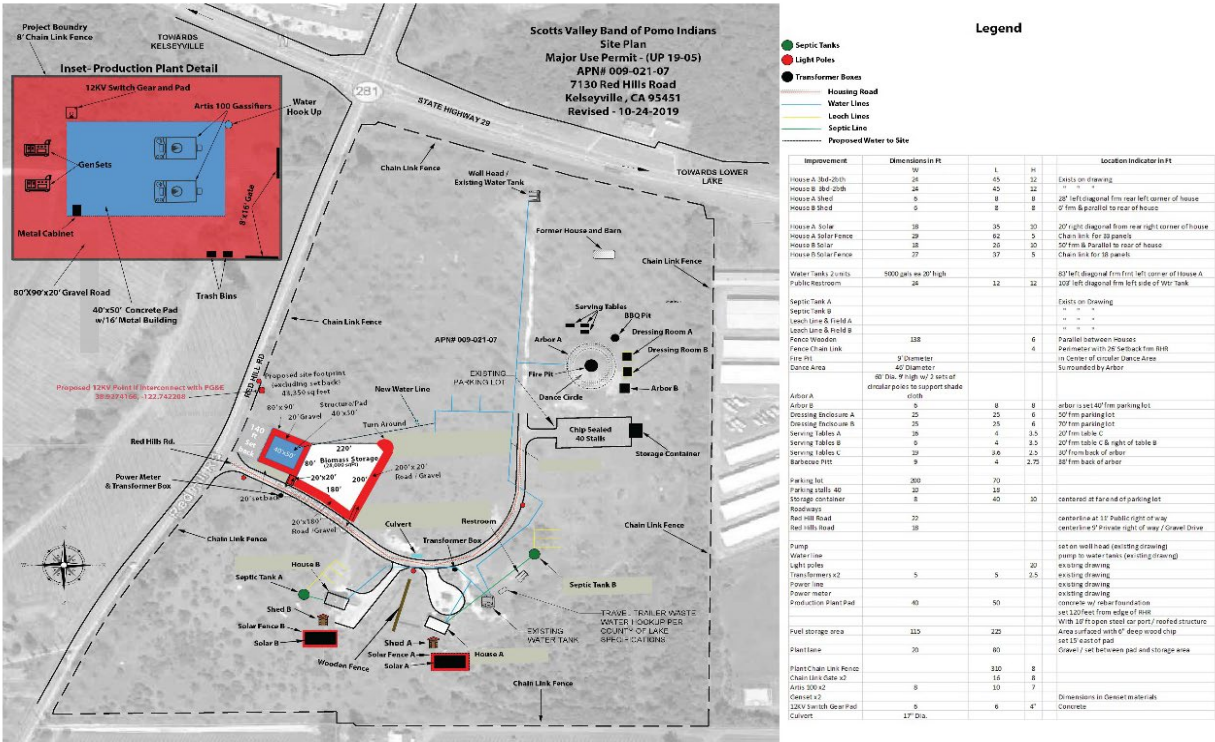
An Addendum has been prepared to assess the proposed minor technical changes and modifications to the MND. All information presented below represents only minor changes to the Approved Project, or helps clarify, amplify, or make insignificant minor technical modifications to the MND. As discussed in the following sections, the new information is not considered “significant” pursuant to CEQA, and recirculation or preparation of a new formal environmental document are not required (see Guidelines Section 15088.5). Aside from the proposed modifications described below, all other impact analyses and associated mitigation measures proposed within the MND would remain unchanged.

Proposed Modifications

The applicant, Scotts Valley Energy Corporation is proposing changes to the previously approved Initial Study IS 19-09 for Use Permit UP 19-05 which allows for the construction and operation of a small-scale bioenergy production facility using woody biomass to produce syngas, a fuel/gas mixture used in creating synthetic natural gas or for producing ammonia or methanol, and biochar, a by-product of the bioenergy process that functions as an agricultural or forestry soil amendment. The location of the operational facility or building will be relocated approximately 40 feet further east of Red Hills Road or at a distance of approximately 180 feet. This relocation is proposed in order to reduce sound transmission to the residential neighbor to the west, and still operate within the county established noise standards for the commercial neighbor to the east. The Project area will encompass not more than 15,000 square feet, or approximately 28,350 square feet less than the original permitted footprint of 43,350 square feet. This reduction occurs with the elimination of the wood processing and storage area plus the elimination of the section of the lane and turn around located on the east side of this processing/storage area. The revised footprint will entail the original 40' x 50' building with a 40' open space on the north and west sides, 20' space on the south side that is set 20' back from the interior road, and around 60' on the east side. Figure I provides the location of the Approved

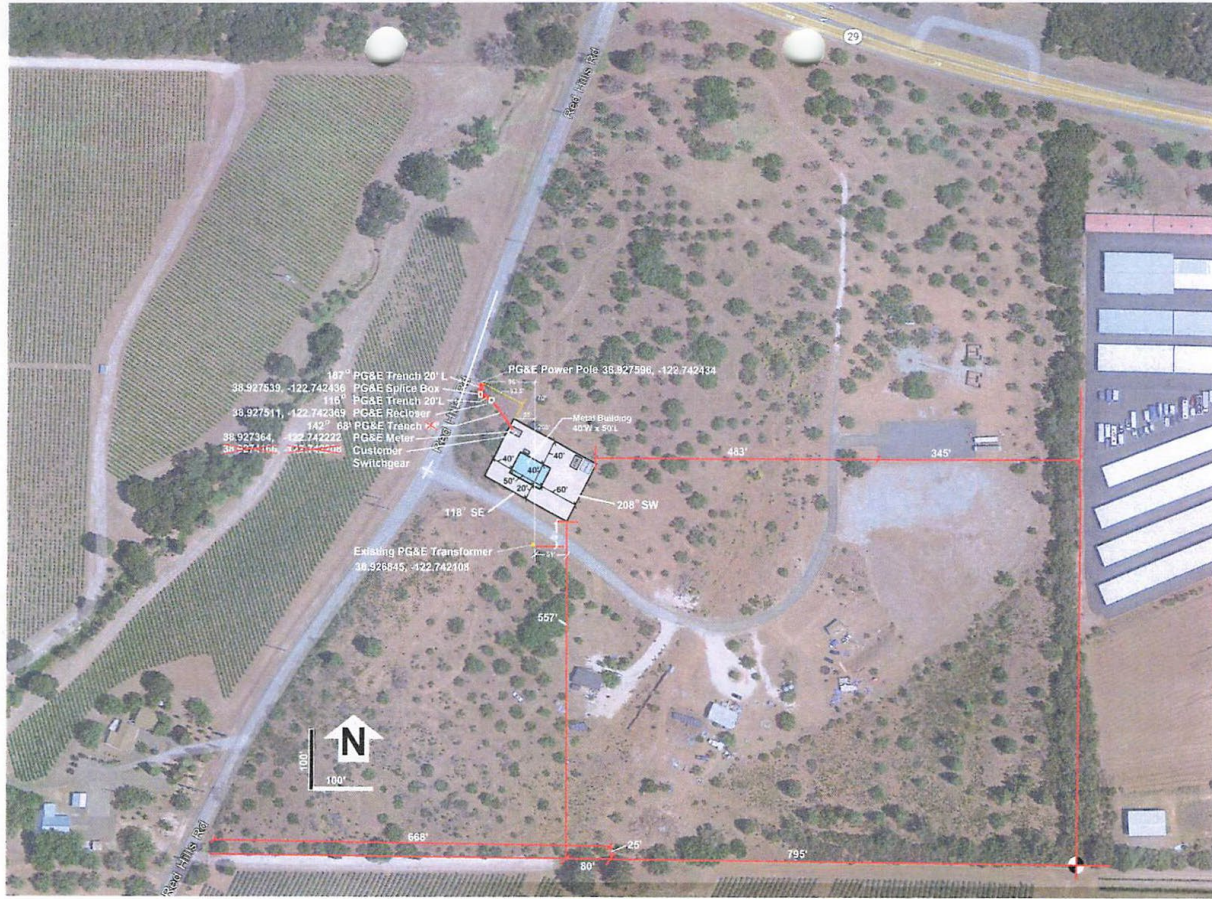
Project site footprint and details of the project area. Figure II provides the location of the Revised Project site footprint, and project area.

Figure 1. Approved Project Site Plan, 2020



Scotts Valley Energy Corporation, LLC, 2020

Figure 2. Revised Project Site Plan, 2023



Scotts Valley Energy Corporation, LLC, 2023

Location

The location of the operational facility or building will be relocated approximately 40 feet further east, or at a distance of approximately 180 feet from Red Hills Road

Project Area

The Revised Project area will encompass not more than 15,000 square feet or approximately 28,350 square feet less than the original permitted footprint of 43,350 square feet. This reduction occurs with the elimination of the wood processing and storage area plus the elimination of the section of the lane and turn around located on the east side of this processing/storage area. The 40' x 50' building from the Approved Project would be relocated to ensure a buffer of 40' of open space on the north and west sides, a 20' buffer of open space on the south side (and to the interior roadway), and a 60' buffer on the east side.

Fencing

The wood-slatted chain link fence of the Approved Project will be reduced to 500 linear feet, while still maintaining a constant 21' distance from the 40' x 50' building. The fence will no longer encompass the outdoor Biomass storage and processing area, which has been eliminated in this project revision.

Biomass Transport and Dust

In the Approved Project, 2-5 trucks/day bearing processed and unprocessed woody biomass would arrive at the site to be chipped into 1/4 -inch wood chips by a hammermill and chipper located in the 28,000-sf outdoor processing area. The chips would then be transferred to the indoor processing plant within the 40' x 50' building, where they would be converted into syngas and biochar.

In the Revised Project, with the elimination of the outdoor processing area, only indoor processing would remain. Biomass material deliveries will occur no more frequently than one truck load per day, which is a specified change from the Approved Project's approximated 2-5 deliveries of chipped and unchipped material per day. The biomass will be transported to the project site via a truck pulling a 28' trailer. The trailer will be covered in accordance with the California Motor Vehicle Code Sections 23114 and 23115 in order to prevent dust and material leaving the trailer while in transport.

Woody Biomass

Under the Revised Project, each truck trailer loaded with biomass will be backed in and material unloaded within the building's structure. The biomass will then be unloaded and transferred to the Artis unit's hopper via a pneumatic-operated system. The change from the Approved Project comes in the elimination of outdoor feedstock preparation in the form of unchipped material running through a diesel or electric-powered chipper, and then through an electric-powered hammermill before transferring to the indoor Artemis hopper. Thereafter, the Artis system's pyrolysis/gasification technology under the Approved Project remains the same.

II. RATIONALE FOR ADDENDUM

This section contains the rationale for preparing an Addendum pursuant to Section 15164 of the State CEQA Guidelines.

There are several mechanisms, and variations in environmental documents that can be tailored to different situations and intended uses of environmental review. Specifically, Section 15164 states, in part, that:

- (a) The lead agency or a responsible agency shall prepare an addendum to a previously certified MND if some changes or additions are necessary but none of the conditions described in Section 15162 calling for a preparation of a subsequent MND have occurred.

- (b) An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.
- (c) An addendum need not be circulated for public review but can be included in or attached to the final EIR or adopted negative declaration.
- (d) The decision-making body shall consider the addendum with the final EIR or adopted negative declaration prior to making a decision on the project.
- (e) A brief explanation of the decision not to prepare a subsequent MND pursuant to Section 15162 should be included in an addendum to an MND, the lead agency's findings on the project, or elsewhere in the record. The explanation must be supported by substantial evidence.

Here, the County has opted to prepare an Addendum to assess the minor modifications of the Project that have transpired since preparation of the MND. Section 15162 of the CEQA Guidelines provides the criteria for preparing a Subsequent EIR or Negative Declaration. Specifically, a Subsequent EIR or Subsequent Negative Declaration ("ND" or "MND") is required when there are substantial changes to a project that involve new significant environmental effects or a substantial increase in the severity of previously identified effects; substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previously approved MND; or new information of substantial importance, which was not known or could not have been known with reasonable diligence at the time the previous MND was certified, show more (or more severe) significant effects, new feasible mitigation measures or alternatives are available but not adopted.

As required by subsection (e), above, substantial evidence supporting the County's decision not prepare a Subsequent EIR or new Negative Declaration pursuant to CEQA Guidelines Section 15162 is provided in Section III, Environmental Impact Analysis, of this Addendum. The environmental analysis presented in Section III evaluates the potential impacts of the proposed relocation, minor changes, and reduction in relation to the current environmental conditions and in consideration of the environmental findings for the Project.

As summarized in Section I, Project Description, and further analyzed in greater detail in Section III, Environmental Impact Analysis, the changes proposed are relatively minor and would not result in any new significant environmental impacts. The analysis contained herein demonstrates that all the impact issues previously examined in the approved MND would remain unchanged or the potential effects would be reduced even further with the proposed modifications. The reductions, minor changes, and relocation of the Project would result in little to no change with respect to the environmental impact conclusions analyzed for the Project through IS 19-09.

Therefore, as described in further detail in Section III, the analysis of the Project's relocation, minor changes and reduction supports the determination that the proposed changes would not involve new significant environmental effects or result in a substantial

increase in the severity of previously identified significant effects which would call for, as provided in Section 15162 of the State CEQA Guidelines, the preparation of a Subsequent EIR or Negative Declaration. Therefore, the County has elected to prepare this variation of an Addendum to the approved MND as the appropriate form of documentation to meet the statutory requirements of CEQA.

III. ENVIRONMENTAL IMPACT ANALYSIS

This section contains a brief summary of the environmental impacts disclosed in the prior MND for each environmental issue area. The evaluation includes an analysis of how any of the environmental factors may be altered as a result of the Revised Project.

The following analysis addresses the environmental issues that were previously analyzed in the MND for the Approved Project and determines whether the relocation of the Project's building 40 feet to the West, minor changes, and reduction in biomass deliveries and elimination of outdoor processing, creates a new significant impact or increases the severity of an environmental impact as identified in the MND. Provided below is an assessment of how the relocation, minor changes, and reduction affects the conclusions of each respective environmental issue analyzed in the MND and would not cause any new environmental effects in the following areas and that no further environmental review of these issues is necessary:

- **Aesthetics.** The conditions that could affect impacts to aesthetics would remain unchanged with the Project's relocation, minor changes, and reduction of daily biomass deliveries and outdoor processing. The removal of the wood processing and storage area, the extension of the fencing along the east side, plus the elimination of the section of the lane and turn around located on the east side of this processing/storage area would not change the aesthetics mitigation measure requirement that all structures use earth-tone colors and low glare building materials, as well as the requirement to maintain existing, healthy, non-hazardous vegetation.
- **Air Quality.** The conditions that could affect impacts to air quality would remain unchanged with the Project's relocation, minor changes, and reduction of daily biomass deliveries and outdoor processing. The removal of the wood processing and storage area, the extension of the fencing along the east side, plus the elimination of the section of the lane and turn around located on the east side of this processing/storage area would not change the construction or operational air quality emissions of the Project, alter the consistency with the air quality mitigation measures, result in an increase of any pollutants, or result in any other air quality impacts.
- **Cultural Resources.** The conditions that could affect impacts to cultural resources would remain unchanged with the Project's relocation, minor changes, and reduction. The relocation of the building 40 feet further east, and the removal of the wood processing and storage area plus the elimination of the section of the lane and turn around located on the east side of this processing/storage area would not change the mitigation requirements concerning potential discoveries of archaeological, paleontological, or cultural materials, nor the requirement of a cultural resource monitor being present during ground disturbance activities.

- **Geology and Soils.** The conditions that could affect impacts to geology and soils would remain unchanged with the Project's building moving 40 feet further east. The Project has not yet begun construction, and so there is no relocation of existing Approved Project structures. The Project's relocation, minor changes, and reduction would not change the existing geologic conditions of the Project Site, nor the engineering, best management practices, work window, retention of native vegetation, and monitoring requirements in the geology and soils mitigation measures.
- **Hazards and Hazardous Materials.** The conditions that could affect impacts to hazards and hazardous materials would remain unchanged with the Project's relocation, minor changes, and reduction. The Project's relocation and reduction would not change the storage requirements and limitations of potentially hazardous materials, fire, vehicle and equipment safety requirements in the hazards and hazardous material mitigation measures.
- **Hydrology and Water Quality.** The conditions that could affect impacts to hydrology and water quality remain unchanged. This would include the Project's compliance with all water quality and waste discharge requirements. Therefore, the hydrology and water quality impacts would be the same as the impacts for the Approved Project.
- **Noise.** The conditions that could affect impacts to noise would remain unchanged with the Project's relocation, minor changes, and reduction. The Project's relocation and reduction would further reduce the potential for significant effects from engine warmup, construction, and operational noise limits and times of the noise mitigated in IS 19-09.
- **Tribal Cultural Resources.** The conditions that could affect impacts to tribal cultural resources remain unchanged. The subject property is owned by the Scotts Valley Band of Pomo Indians. The Project's relocation and reduction would not change the Tribe's monitoring for tribal cultural resources during site development activities.
- **Wildfire.** The conditions that could affect impacts to wildfire would remain unchanged with the Project's relocation, minor changes, and reduction. The Project's relocation and reduction would not change the requirement that a new electrical service be sited and maintained to avoid potential sources of ignition that could increase fire risk.

AESTHETICS

Approved Project

(c) Visual Character

The subject property is elevated above surrounding roadways. Red Hills Road in this location is a two-lane, rural road without paved shoulders that does not accommodate pedestrians; motorists are its primary users. Views into the property from Red Hills Road are partially obscured by woody vegetation, including walnut, oak and pine trees. Gaps in vegetation exist near the property entrance where the Project would be the most visible

to motorists. The structure housing the production plant would be located approximately 140 feet from the west edge of the roadway. The chipping and grinding area would be located on the east side of the building, partially shielded from public view. Beginning at the south property line, a row of mostly pine trees grows along the edge of Beckstoffer Vineyards on the east side of Red Hills Road, providing total screening of the Project Site from views south. Existing vegetation north and south of the Project Site limit public visibility of the Site to a few seconds while driving past the Site entrance. Although the portion of the property where the Project will be situated is not located within a Scenic Combining District, neighboring roads and properties are. Policy 3.5.2b of the Riviera Area Plan states, "The siting of structures must not only reflect appropriate setbacks, but also consider the rural vista. Building should complement and not block views." Due to the 140-ft setback between the Project development and Red Hills Road, the small scale of the building and relatively low height of the roof, the lack of recreational use of the road, and the brief period that the plant would be visible to motorists, the Project is not expected to visually degrade the area. The following mitigation measures are recommended to ensure that the brief sighting of the Project by motorists on Red Hills Road would have a less than significant impact on the quality of public views of the Site and will further ensure that the Project conforms to scenic resource policies in the General Plan and Riviera Area Plan. **Less Than Significant Impact with Mitigation Incorporated.** (Initial Study, IS 19-09 pg. 10)

(d) Light and Glare

Exterior lighting for the Project would consist of downcast LED lighting under the roof eaves to illuminate the building perimeter and up to four (4) additional downcast light posts to illuminate the storage area. The light posts would be the same style as those currently illuminating the driveway through the property. To ensure that light or glare is not broadcast beyond the property boundaries, Mitigation Measure AES-3 is recommended. **Less Than Significant with Mitigation Incorporated.** (Initial Study, IS 19-09 pg. 10)

Revised Project

The conditions that could affect impacts to aesthetics (visual resources, and light/glare) would remain unchanged and less than significant. There would be a change to the visual character of the Project Site based on the elimination of the Biomass Storage area, and lack of construction would further reduce potential impacts related to light and glare and the use of non-neutral materials. In addition, the visual character of the actual Project building would also remain unchanged from the previous analyses. Consequently, the impacts to the visual character of the Site based on the reduction of the project construction, and relocation of the building would be less than significant, and in fact, would be improved compared to the Approved Project proposed conditions.

With regard to the criteria set forth in CEQA Guidelines Section 15164(a), the changes proposed would not result in any new significant impact with respect to aesthetics.

AIR QUALITY

Approved Project

(a) Conflict with Air Quality Plan

The Project would result in temporary emissions during the 8-12 week construction period. Site preparation will include the clearing and chipping of 25 trees, and earth moving of 2,000± square feet to achieve final grades for the production pad. These activities have the potential to generate fugitive dust for a short period of time until the site is stabilized. If trees are burned, smoke can also contribute particulate emissions. The applicant plans on chipping the cleared trees and using them as the storage area base for dust and erosion control and/or as feedstock for the plant; the trees are not proposed to be open-burned. The applicant plans to use water dispersal as the primary method of dust control during construction, using either on-site water and/or application by water truck. Internal roadways are currently paved; the proposed new travel lanes will be surfaced with 1/2-inch gravel or with a new composite material consisting of dirt and cement. Stabilized road surfaces will minimize dust over the long term.

Once operational, the Project would result in up to eight additional trips (16 roundtrips) to the site per day including employee vehicles and delivery trucks, considered an insignificant increase in daily vehicle trips and resulting emissions. The bioenergy plant will use generators that will operate on syngas. The operation of internal combustion engines is subject to requirements administered by LCAQMD. Prior to the commencement of site preparation and plant operations, the applicant will be required to secure all necessary permits from LCAQMD. Implementation of mitigation measures below would further reduce air quality impacts to less than significant.

*Due to the potential generation of fugitive dust associated with construction activities, construction of the Project could have a significant impact on air quality. In their letter dated March 8, 2019, the LCAQMD provided recommendations to address fugitive dust and other potential air pollutants generated by the Project. These are incorporated as Mitigation Measures AIR-1 through AIR-4. **Less Than Significant with Mitigation Incorporated.** (Initial Study, IS 19-09 pg. 12)*

(c) Pollutant Concentrations

*See response to Section III (a). Construction activities have the potential to generate short-term fugitive dust if not properly controlled. There are two on-site residences and a travel trailer located approximately 200 to 300 feet from the Project Site. The nearest off-site residence is 800± feet to the southwest. There are no schools, hospitals, or other sensitive receptors in the vicinity of the proposed Project. **Less Than Significant with Mitigation Measures AIR-1 through AIR-4 Incorporated.** (Initial Study, IS 19-09 pg. 13)*

Revised Project

The reduction in biomass deliveries from 2-3 truckloads to one truckload per day would also reduce the potential impacts of vehicle trips even further. In addition, the elimination of the Biomass Storage area would further reduce the impacts from fugitive dust and air contaminants with the elimination of its construction and operation.

With regard to the criteria set forth in CEQA Guidelines Section 15164(a), the changes proposed would not result in any new significant impact with respect to air quality.

CULTURAL RESOURCES

Approved Project

(b) Adverse Change to Archaeological Resources

*According to the applicant, "SVBPI is not aware of any flatland or lowland sites in Lake County that could not be a possible archaeological site given the existence of Native Americans in the area since 12,000 B.CE. A blanket of shattered obsidian is prevalent on the property, which is a minor indication that obsidian may have been mined at some point in time. However, during its years of ownership, SVBPI's certified cultural monitors have surveyed the property for archaeological evidence. To date no such evidence has been found. Nevertheless, SVBPI will retain one or more of its cultural monitors, as needed, during the project's site preparation and construction phases." No impacts to known archaeological resources are anticipated as a result of the Project. However, to ensure that undiscovered resources are not impacted during Project construction, CUL-1 and CUL-2 are recommended. **Less Than Significant with Mitigation Incorporated.** (Initial Study, IS 19-09 pgs. 15-16)*

(c) Disturbing Human Remains

*Disturbance of human remains is not anticipated. However, to ensure that human remains are not disturbed during Project construction, CUL-1 and CUL-2 are recommended. **Less Than Significant with Mitigation Measures CUL-1 and CUL-2 Incorporated.***

Revised Project (Initial Study, IS 19-09 pgs. 15-16)

Revised Project

As discussed above, the Project Site has not yielded discoveries of archaeological evidence by the applicant's certified cultural monitors. In the event that archaeological resources are encountered during construction of the building and fencing 40 feet further east of the Approved Project's location, CUL-1 and CUL-2 in the MND, provided in the MND, would reduce potential impacts to less than significant.

It is possible that unknown human remains could be encountered during construction of the building and fencing 40 feet further east of the Approved Project's location. Without

proper care, unknown resources could be damaged or destroyed. However, with implementation of Mitigation Measure CUL-1 and CUL-2, provided in the MND, any potential impacts to human remains would be reduced to less than significant.

Overall, these modifications would not change the existing conditions of the Project Site and would not change the impacts with respect to cultural resources. The Revised Project would implement the same mitigation measure as the Approved Project (CUL-1 and CUL-2, provided in the MND). Therefore, the impacts to archaeological resources and human remains would be less than significant, same as the Approved Project.

With regard to the criteria set forth in CEQA Guidelines Section 15162(a), the changes proposed would not result in any new significant environmental impacts upon cultural resources or result in a substantive increase in the severity of any previously identified impacts.

GEOLOGY AND SOILS

Approved Project

(b) Soil Erosion

*Project grading will involve approximately 45 cubic yards (cy) to create a 2,000-sf building pad and to level the 28,000-sf outdoor storage area. The applicant estimates that the volume of cut will be equivalent to the volume of fill, resulting in no need to import or export soil. The building will be equipped with gutters and downspouts that will connect to underground drainage pipe that will outlet into the adjacent field where water will percolate into site soils. A rock energy dissipator will be installed at the pipe outlet to protect against scour. According to the applicant, site soils experience a high infiltration rate and stormwater discharge from the facility is not anticipated. Due to the scope of the grading activity, the moderate erosion hazard rating of site soils, and the lack of sensitive environmental resources on the Project Site, grading associated with the Project is exempt from a grading permit. Grading is, however, subject to the grading design standards outlined in the County Grading Ordinance. Compliance with the following mitigation measures will reduce impacts associated with soil erosion to a less than significant level. **Less Than Significant Impact with Mitigation Incorporated** (Initial Study, IS 19-09 pg. 18)*

Revised Project

The elimination of the Biomass Storage area would reduce the potential for grading to be in excess of the grading thresholds that would trigger further CEQA analysis and found in Chapter 30 of the Lake County Code. The Revised Project would implement the same mitigation measure as the Approved Project (GEO-1 through GEO-4, provided in the MND). Therefore, the impacts to geology and soils would be less than significant, same as the Approved Project.

With regard to the criteria set forth in CEQA Guidelines Section 15162(a), the changes proposed would not result in any new significant environmental impacts upon geology and soils or result in a substantive increase in the severity of any previously identified impacts.

HAZARDS AND HAZARDOUS MATERIALS

Approved Project

(a) Disposal of Hazardous Materials

Hazardous materials associated with the Project include the use of diesel fuel and the use and storage of cleaning solvents. The loader and chipper will be fueled by a mobile fueling service. Solvents in containers of two gallons or less will be stored in a locked fireproof cabinet. The Project does not involve the routine disposal of hazardous materials. The use and storage of hazardous materials creates the opportunity for accidental releases to occur, requiring measures to prevent potential releases and to take proper action to contain, clean up and notify authorities should a release occur.

Lake County Division of Environmental Health (LCEH) provided written comments on March 13, 2019. These included, in part, "If the applicant stores hazardous materials (defined as either virgin or waste materials) equal to or greater than 55 gallons of a liquid, 500 pounds of a solid or 200 cubic feet of compressed gas, the applicant will be required to submit a Hazardous Materials Business Plan to the Environmental Health Division via the California Electronic Reporting system (CERS) and it shall be renewed and updated annually or if quantities increase. If the amount of hazardous materials is less than the above quantities, the applicant will need to complete and submit a Hazardous Materials/Waste Declaration stating the name of the material and the quantity to be stored on site. Hazardous materials shall not be allowed to leak onto the ground or contaminate surface waters. Any release of a hazardous material must be immediately reported to LCEH." Other pertinent comments from LCEH include the protection of wells from hazardous materials.

Section 41.7 of the Lake County Zoning Ordinance specifies that all uses involving the use or storage of combustible, explosive, caustic or otherwise hazardous materials shall comply with all applicable local, state and federal safety standards and shall be provided with adequate safety devices against the hazard of fire and explosion, and adequate firefighting and fire suppression equipment.

*Implementation of the following mitigation measures will reduce the impact from potential releases of hazardous materials to a less than significant level. **Less Than Significant Impact with Mitigation Measures HAZ-1 and HAZ-2 Incorporated.** (Initial Study, IS 19-09 pg. 20)*

(g) Exposure to Wildland Fires

*The Project Site is situated in a moderate fire hazard severity zone and is within the Local Responsibility Area of the Kelseyville Fire Protection District. The Project Site is surrounded by orchards, vineyards, and residential and commercial development. The Project includes both potential ignition sources (equipment) and fuel (wood chips), which, under certain conditions, could result in fire that could spread to adjacent vegetation. Proper operation and maintenance of equipment would minimize these impacts. **Less Than Significant Impact with Mitigation Measures HAZ-3 and HAZ-4 Incorporated***

Revised Project (Initial Study, IS 19-09 pg. 21)

The elimination of the Biomass Storage area would further reduce the potential hazardous material on the site. The relocation of the building and fencing 40 feet further east of the Approved Project's proposed location would also not incur any additional impacts as the use, storage and quantity limits of any hazardous materials would remain the same. The Revised Project would implement the same mitigation measures as the Approved Project (HAZ-1 through HAZ-4, provided in the MND). Therefore, the impacts to hazards and hazardous material would be less than significant, same as the Approved Project.

With regard to the criteria set forth in CEQA Guidelines Section 15162(a), the changes proposed would not result in any new significant environmental impacts upon hazards and hazardous material or result in a substantive increase in the severity of any previously identified impacts.

HYDROLOGY

Approved Project

(a) Degrade Surface Ground Water Quality

Construction of the proposed Project will not generate any wastewater; therefore, there are no waste discharge requirements associated with the Project. Grading activities in preparation for the building pad have the potential to cause erosion; however, Project drainage is designed to flow as sheet flow into well-drained soils downslope of the site. Gutters and downspouts installed on the building will be connected to an underground drainage pipe that will extend downgradient 20 feet beyond the lane that will encircle the building. The pipe will release roof drainage into a rock energy dissipator to prevent surface erosion. Due to the significant acreage of land downslope of the Project Site and the well-drained soils designated by the USDA and confirmed by the applicant, sediment generated from the Project is expected to settle out on the property and not be discharged off site.

Project grading of one or more acres requires compliance with the State Water Resources Control Board (SWRCB) General Permit for Discharges Associated with Construction Activities (Construction Stormwater Permit). The area proposed for grading is 2,000 square feet for the plant production pad and some leveling in the 28,000-sf storage area; therefore, the Project does not qualify for the Construction Stormwater Permit. However,

the chipping activity may require coverage under the SWRCB General Permit for Discharges Associated with Industrial Activities (Industrial Stormwater Permit). Coverage under the Industrial Stormwater Permit would require development of a Storm Water Pollution Prevention Plan (SWPPP) and implementation of a comprehensive stormwater monitoring program for the facility. HYD-1 requires the applicant to obtain any necessary permits, which would include a permit from the SWRCB if so required, in order to protect water quality from project-related impacts.

*Refer to Section VII(b) [Geology/Soils] for a discussion of impacts to water quality resulting from soil erosion. Compliance with GEO-1 through GEO-4 will mitigate impacts to water quality as a result of project-related erosion. Compliance with HAZ-1 and HAZ-2 will mitigate impacts to water quality as a result of hazardous material use and storage. **Less Than Significant with Mitigation Incorporated** (Initial Study, IS 19-09 pg. 22)*

Revised Project

The effects of potential project grading in the 28,000 sf area previously allocated for the Biomass Storage area will be reduced with this area's elimination, which would further exempt the project from compliance with the State Water Resources Control Board (SWRCB) General Permit for Discharges Associated with Construction Activities (Construction Stormwater Permit). The Revised Project would implement the same mitigation measures (HYD-1) which would require the project to obtain any necessary permits from the State Water Resources Control Board. Therefore, the impacts to hazards and hazardous material would be less than significant, same as the Approved Project. With regard to the criteria set forth in CEQA Guidelines Section 15162(a), the changes proposed would not result in any new significant environmental impacts upon hydrology or result in a substantive increase in the severity of any previously identified impacts.

NOISE

Approved Project

(a) Increase in Ambient Noise Levels

Short-term noise levels would be increased during the construction phase of the Project. Construction-related noise may involve the use of a tractor/grader, compactor, water truck, and trucks delivering rock and concrete. Construction noise would occur over a period of approximately 8-12 weeks. For construction activities, General Plan Policy N-1.7 states, "The County shall require contractors to implement noise-reducing mitigation measures during construction when residential uses or other sensitive receptors are located within 500 feet." Compliance with NOI-1 and NOI-2 will mitigate temporary construction noise to a less than significant level.

Once Project construction is completed, noise associated with the operation would be generated by truck deliveries of feedstock, chipping equipment, and generators operating the bioenergy system on the west side of the building. The operation plan assumes 2 – 5

trucks daily delivering both chipped and unchipped material. To prepare feedstock, unchipped material would be run through a diesel or electric-powered chipper and then through an electric-powered hammermill before transfer to the hopper or stockpiled for later use. It is anticipated that material will be processed for no longer than 2-3 hours per day, five days per week, with the front-end loader operating 6-8 hours per day. The biochar is stored until five tons is accumulated, at which time it would be shipped to a soil amendment wholesaler located in the Central Valley. Out shipments of biochar would therefore be significantly less frequent than deliveries. Generator noise would be attenuated by full aluminum weather protection and superior sound attenuation for specific low noise applications, including a critical grade muffler. The "Level 2" housed gen-set would be located on the west side of the building, over 140 feet from Red Hills Road, over 200 feet from the nearest on-site residence, and 800± feet from the nearest off-site residence.

*County noise standards require noise levels at the property line adjacent to residential and agricultural uses (west, south and east) not to exceed 55dBA between the hours of 7:00 a.m. and 10:00 p.m. and 45 dBA between the hours of 10:00 p.m. and 7:00 a.m. Where adjacent uses are commercial (north and east) noise levels must not exceed 60dBA during daytime hours and 55dBA during nighttime hours. The Project Description states that, "Based on the distance of the operation from property lines and receptors and topography, the operation is capable of complying with County noise standards." Compliance with NOI-2 and NOI-3 will ensure that permanent Project activities will not exceed County noise standards. **Less Than Significant with Mitigation Incorporated.** (Initial Study, IS 19-09 pgs. 24-25)*

Revised Project

The elimination of the Biomass Storage area would further reduce the potential for noise levels to exceed standards found within Chapter 21 of the Lake County Code. Additionally, the Revised Project proposes all onsite generators to be enclosed. The relocation of the building and fencing 40 feet further east of the Approved Project's proposed location would also not incur any additional impacts as the Revised Project would implement the same mitigation measures (NOI-1 and NOI-2) which would require the project to adhere to the noise standards identified in Section 41.11 of Chapter 21 of the Lake County Ordinance. Therefore, the impacts to noise would be less than significant, same as the Approved Project.

With regard to the criteria set forth in CEQA Guidelines Section 15162(a), the changes proposed would not result in any new significant environmental impacts upon noise or result in a substantive increase in the severity of any previously identified impacts.

TRIBAL CULTURAL RESOURCES

Approved Project

(b) Consideration of Significant Resources to a California Native American Tribe

A Request for Review was mailed on February 14, 2019 to the following tribes: Big Valley Rancheria, Cortina Rancheria, Elem Colony, Koi Nation, Middletown Rancheria, Mishewal-Wappo of Alexander Valley, Redwood Valley, Robinson Rancheria, Upper Lake Habematolel and Yocha Dehe, in addition to the Scotts Valley Band of Pomo Indians, the applicant for the subject Project.

A response was received from Yocha Dehe, stating that the project is not within the aboriginal territories of the Yocha Dehe Wintun Nation, and declining comment.

*The subject property is owned by the Scotts Valley Band of Pomo Indians. The Tribe's cultural monitors have surveyed the property for archaeological evidence, and to date have found none. Cultural monitors will be employed during site development activities. **Less Than Significant with Mitigation Measures CUL-1 and CUL-2 Incorporated.** (Initial Study, IS 19-09 pg. 28)*

Revised Project

As discussed under Cultural Resources, the Project Site has not yielded discoveries of archaeological evidence by the applicant's certified cultural monitors. In the event that archaeological resources are encountered during construction of the building and fencing 40 feet further east of the Approved Project's location, CUL-1 and CUL-2 in the MND, provided in the MND, would reduce potential impacts to less than significant.

Overall, these modifications would not change the existing conditions of the Project Site and would not change the impacts with respect to tribal cultural resources. The Revised Project would implement the same mitigation measure as the Approved Project (CUL-1 and CUL-2, provided in the MND). Therefore, the impacts to archaeological resources and human remains would be less than significant, same as the Approved Project.

With regard to the criteria set forth in CEQA Guidelines Section 15162(a), the changes proposed would not result in any new significant environmental impacts upon tribal cultural resources or result in a substantive increase in the severity of any previously identified impacts.

WILDFIRE

Approved Project

(c) Installation and Maintenance of Infrastructure

Infrastructure exists on the property, including roads, water storage tanks and electrical service. The proposed operation will require electrical service, which will be delivered from a PG&E utility pole located on Red Hills Road. An overhead line will connect to a utility pole that will be situated on the west side of the parcel. Additionally, the applicant shall adhere to all current California Fire Codes, including 4290 and 4291 of the Public

*Resource Code regulations and/or requirements. **Less Than Significant with Mitigation Incorporated.*** (Initial Study, IS 19-09 pg. 30)

Revised Project

The project has been modified to comply with the requirement in Section 13-60.2 of Lake County Ordinance No. 3082, Section 2, 3-26-2019, "The Hazardous Vegetation/Combustible Material Abatement Ordinance" to maintain a thirty-foot defensible space around all buildings and structures on the Property, and a thirty-foot defensible space along the property line on the eastern boundary of the Property, adjacent to Eagle's Nest. The revised footprint will entail the original 40' x 50' building with 40' of open space on the north and west sides, 20' of open space on the south side that is additionally set 20' back from the interior road, and 60' of open space on the east side. These changes would further lessen the impact of fire risks found within 4290 and 4291 of the California Public Resource Code.

The Revised Project would implement the same mitigation measure as the Approved Project (FIRE-1, provided in the MND). Therefore, the impacts to wildfire material would be less than significant, same as the Approved Project.

With regard to the criteria set forth in CEQA Guidelines Section 15162(a), the changes proposed would not result in any new significant environmental impacts upon wildfire or result in a substantive increase in the severity of any previously identified impacts.