



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105**

March 22nd, 2010

Ms. Elizabeth Holland
Planning Division
Sacramento District
U.S. Army Corps of Engineers
1325 J Street
Sacramento, California 95814-2922

Subject: Final Environmental Impact Statement (FEIS) for the Natomas Levee Improvement Program, Phase 4A Landside Improvements Project (CEQ# 20100042)

Dear Ms. Holland:

The U.S. Environmental Protection Agency (EPA) has reviewed the above-referenced document pursuant to the National Environmental Policy Act (NEPA), Council on Environmental Quality (CEQ) regulations (40 CFR Parts 1500-1508), and our NEPA review authority under Section 309 of the Clean Air Act.

EPA submitted comments on the Draft EIS (DEIS) for the Natomas Levee Improvement Program, Phase 4A Landside Improvements Project (Project) on October 13, 2009. We rated the DEIS as Environmental Concerns – Insufficient Information (EC-2) because of concerns regarding General Conformity and flood risks. Our comments addressed the need to revise the project so that the emissions no longer exceed conformity thresholds (or complete a conformity determination for the project) as well as the need to incorporate residual flood risk into land use planning. Following our review of the FEIS, we provide the following comments addressing our remaining concerns with the proposed project.

Lack of PM_{2.5} Modeling Assessment and Need for General Conformity Determination

The Natomas Levee Improvement Program, Phase 4A Landside Improvements Project area is within the jurisdiction of the Sacramento Metropolitan Air Quality Management District and is considered a moderate nonattainment area for particulate matter of 10 microns or less (PM₁₀) National Ambient Air Quality Standards (NAAQS), and a nonattainment area for particulate matter of 2.5 microns or less (PM_{2.5}) NAAQS. The project area is also considered in serious nonattainment for the 1997 8-hour Ozone NAAQS. However, the State of California has requested, and EPA has proposed, a "severe" classification for this ozone nonattainment area. The FEIS describes the air modeling results in Appendix F; however, the document fails to

include a PM 2.5 modeling assessment.

As EPA staff advised during a March 4th, 2010 phone conversation with you, and during a March 9, 2010 conference call with the U.S. Army Corps of Engineers' (USACE) contractor AECOM, the FEIS contains inconsistencies related to the General Conformity discussion and analysis, which should be clarified. In those conversations, we reiterated written comments provided to USACE following our review of the DEIS. General Conformity is required for federal agency projects or approvals in areas that are designated as nonattainment for NAAQS. As we explained, offsets should not be considered when establishing whether or not the project is applicable to General Conformity. Rather, offsets mitigation should only be used after applicability has been established. Once a project has been determined to exceed the Federal de minimis threshold, offsets can be used to mitigate project related emissions. This is only one of several ways to demonstrate that an applicable project conforms to the State Implementation Plan.

EPA recommends that the USACE consider preparing a Supplemental Final Environmental Statement (SFEIS) to address PM 2.5 modeling deficiencies and include a General Conformity determination.

Need for a Flood Safety Plan and Additional Flood Protection Measures

EPA continues to have concerns regarding the residual flood risk, and the potential indirect and cumulative impacts of development in a floodplain protected by levees. We recommend the implementation of a flood safety plan as soon as possible, so that new development does not compromise the flood-damage-and-risk-reduction achievements of this project. Safeguards should be included to insure that future development will not constrain effective flood protection management nor compromise the flood benefits of this project. All commitments for flood protection should be identified in the Record of Decision (ROD).

Need for Additional Measures to Offset Induced Growth Impacts to Air Quality

EPA recommends that the USACE consult with the Sacramento Metropolitan Air Quality Management District to ascertain the effects of induced growth on meeting air quality goals for the Sacramento Area. We suggest that the USACE identify and commit to smart growth strategies in the ROD to minimize the negative air quality impacts of development behind the levees.

We appreciate the opportunity to review this FEIS. If you have any questions, please contact me at (415) 972-3521, or contact James Munson, the lead reviewer for this project. James can be reached at (415) 972-3800 or munson.james@epa.gov.

Sincerely,

/s/

Kathleen M. Goforth, Manager
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