NOTICE OF PREPARATION OF A DRAFT ENVIRONMENTAL IMPACT REPORT

Date: November 14, 2018

To: Agencies and Interested Parties

From: City of Ripon Planning Department

Subject: Notice of Preparation of a Draft Environmental Impact Report for the Proposed Diamond Pet

Foods Project

Review Period: November 14, 2018, to December 18, 2018

Diamond Pet Foods (Diamond) operates a pet food production facility in the City of Ripon (City). The existing facility, which is housed almost entirely within a 366,000-square-foot structure, currently consists of three production lines. Diamond proposes to add a fourth production line to the existing facility. The expansion would be contained almost entirely within the existing physical structure of the production plant. The addition of a fourth production line would increase the total production capacity of the facility from 780 tons/day to 1,040 tons/day. The City is considering approval of a Major Site Plan Permit to allow installation and operation of the fourth production line, which requires environmental review under the California Environmental Quality Act (CEQA). Therefore, the City will serve as the lead agency for the project under CEQA and has prepared an Initial Study to evaluate whether an environmental impact report (EIR) should be prepared. The Initial Study (attached) has identified the potential for significant environmental effects in certain resource areas, discussed below; therefore, the City will prepare a limited-scope EIR for the project to satisfy the requirements of CEQA (Public Resources Code [PRC] Section 21000 et seq.).

PURPOSE OF THIS NOTICE OF PREPARATION

In accordance with the California Code of Regulations (CCR) Section 15082, the City has prepared this notice of preparation (NOP) to inform agencies and interested parties that an EIR will be prepared for the above-referenced project. The purpose of a NOP is to provide sufficient information about the project and its potential environmental impacts to allow agencies and interested parties the opportunity to provide a meaningful response related to the scope and content of the EIR, including mitigation measures that should be considered and alternatives that should be addressed (CCR Section 15082[b]).

The project location, description, and potential environmental effects are summarized below. Additional details about the project's potential effects are included in the attached Initial Study.

Project Location

The Diamond Pet Foods Processing Facility (project site) is a pet food production facility located in an industrial area within the City of Ripon, in San Joaquin County (Figure 1). The address of the facility is 942 South Stockton Avenue, Ripon, CA 95366. The Diamond Pet Foods property totals approximately 157 acres, of which the existing production facility occupies approximately 27 acres (including buildings, paved parking areas, paved driveways, and other impervious surface areas).

The project site is bounded by industrial uses to the north, railroad tracks and SR 99 to the east, the Stanislaus River to the south, and undeveloped land to the west. Oak Grove Park is located to the southwest and residential areas are located further to the north, on both sides of State Route (SR) 99. Regional access to the site is provided by SR 99 and Main Street (which connects SR 99 and South Stockton Avenue).

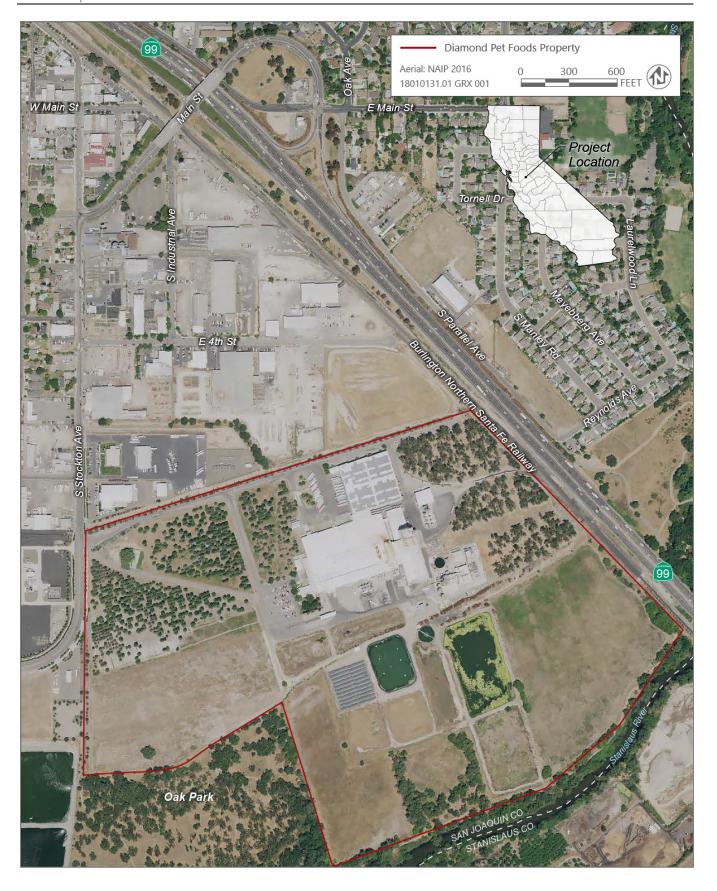


Figure 1 Project Location

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PROJECT DESCRIPTION

Diamond proposes to add a fourth production line to its existing facility in the City of Ripon. The expansion would be contained almost entirely within the existing physical structure of the existing production plant.

Project Background

Diamond is a premium producer of over 100 different pet food recipes. After acquiring what had been Neenah Paper's former fine paper mill in 2010, Diamond remodeled the facility to accommodate a maximum of four pet food production lines. Diamond started producing pet food at the Ripon facility in 2012, under permits issued by the City, the State Regional Water Quality Control Board, and the San Joaquin Valley Air Pollution Control District (SJVAPCD). Three production lines, with a total combined capacity of 780 tons per day of pet food, were initially permitted by SJVAPCD and installed in 2011/2012. In late 2016, Diamond determined that a fourth pet food production line was needed.

Odor Abatement Background

In July 2012, shortly after Diamond's facility became operational, an odor complaint—the first—was registered with SJVAPCD, followed by 103 odor complaints for the period from November 2012 through April 2013. In late 2012, Diamond hired Yorke Engineering, LLC (Yorke) to assist in evaluating the source, cause, and available methods to eliminate the odors and demonstrate compliance with the permit conditions listed in the Authority to Construct permit.

As a result of the odors analysis conducted by Yorke, in consultation with SJVAPCD and based on the available information at the time, Diamond determined that the best option for controlling odors was to install what is known as a "cold plasma injection system", which was reported to be widely successful in Europe and Canada for reducing pet food production odors. The Uniqair (a manufacturer) cold plasma system was permitted by SJVAPCD, installed in 2014, and became operational in July 2014. This system, however, achieved inconsistent results and odor complaints continued.

As a result of coordination with SJVAPCD and additional research into options to reduce odors, it was determined that the technology with the highest odor abatement efficiency was a regenerative thermal oxidation (RTO) system. In June 2017, Diamond selected Durr Systems to design, fabricate, and supervise the installation of the new RTO system. Installation of the RTO system was recently approved by SJVAPCD to replace the existing plasma injection system. Installation of the RTO equipment, which has the capacity to treat the dispelled air from the three existing production lines, as well as the proposed fourth production line, is currently underway and will be completed by late 2018.

Fourth Production Line

The City is considering approval of an entitlement to allow installation and operation of a proposed fourth pet food production line at Diamond's Ripon facility. The fourth production line would increase the permitted total production capacity to 1,040 tons per day (an increase of 260 tons per day from the existing capacity of 780 tons per day). Included in this application is a proposal to modify the permit conditions for the existing Pet Food Material Dispensing, Pre-Grinding, Conveying and Storage Operations (N-8234-2), to accommodate the incremental raw material transfer from outside storage to the mill tower. The modified permit condition would increase the maximum daily material transfer from the pre-grind system and the outside silos/bins from approximately 800 to 1,100 tons per day and increase the maximum annual material transfer from approximately 90,000 to 120,000 tons per year.

To facilitate the increase in pet food production, an additional steam conditioning unit/extruder would be installed in the steam conditioner room, as well as a fourth natural gas-fired dryer, dryer-cooler, and vertical cooler. Additional blowers, kibble take-up tubes, associated cyclones, and attrition handling equipment would also be installed within the facility.

The existing boilers are permitted for, and currently have adequate capacity to handle, the incremental steam requirements of the fourth steam conditioning unit, as well as any other steam requirements.

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The existing packaging lines have adequate bagging capacity and do not require modification.

All of the new equipment and facilities associated with the proposed fourth production line would be located inside the existing building.

Utilities

Existing water demands at the facility are met by Diamond's onsite groundwater well. The project would require an incremental increase in water demand to supply the boiler and the reverse osmosis conditioning cylinders, and an incremental increase in wastewater generation. Electricity and natural gas use would also increase.

Deliveries

Currently, raw material deliveries to the facility arrive by truck and rail. With the addition of the fourth production line, the number of truck deliveries would increase for both raw material and finished product, and the number of rail deliveries would remain the same. No physical modifications to the truck or railcar facilities are required to accommodate the production increase.

Operation and Maintenance

The facility would have the same operating hours and work shifts as it does currently. Routine maintenance would continue as needed for existing and new equipment at the facility. Operation of the facility would require two additional employees per shift. Therefore, a total of eight additional employees would be required, as there are four shifts.

Project Construction

Construction of the Line Four process equipment would be performed at Extrutech's Kansas fabrication facility. Installation of the process equipment at the Diamond facility would last for 10 months, beginning either in 2019 or 2020, depending on the fabrication lead time. The three existing production lines would remain operational during construction of the fourth line. An average of 15 construction workers and one heavy duty truck per day would be required for the entire 10-month construction period.

POTENTIAL APPROVALS AND PERMITS REQUIRED

As the lead agency under CEQA, the City is responsible for considering the adequacy of the EIR and determining if the overall project should be approved. SJVAPCD is a responsible agency, and will need to issue an Authority to Construct permit for the project. No other permits or approvals from other agencies are anticipated to be required.

POTENTIAL ENVIRONMENTAL IMPACTS

Pursuant to CEQA and CCR Section 15064, the discussion of potential project effects on the environment in the EIR shall be focused on those impacts that the City has determined may be potentially significant. The EIR will also evaluate the cumulative impacts of the project when considered in conjunction with other related past, present, and reasonably foreseeable future projects. The City has determined that the project could potentially result in environmental impacts in the following topic areas, which will be further evaluated in the EIR:

▶ Air Quality: The project would result in short-term (construction) and long-term (operational) increases in criteria air pollutants and precursors. Long-term increases would be generated by stationary sources associated with the additional production line and any increase in mobile-source emissions associated with new vehicle trips to and from the project site. Construction- and operations-related emissions could adversely affect sensitive receptors in the vicinity, including residences, schools, and parks. These issues will be evaluated in the EIR.

Odors are an ongoing problem at the Diamond facility, and the intent of the new RTO system (currently being installed) is to effectively eliminate odors. The EIR will compare existing to potential, as well as actual project-related odors following installation of the RTO system to determine whether odor remains a significant impact

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and will identify any necessary mitigation measures to further reduce potential impacts related to odors, if needed.

- ► Greenhouse Gas Emissions: Greenhouse gas (GHG) emissions would be associated with mobile-source exhaust from construction-related worker commute trips, haul truck trips, and equipment used at the project site. Operation of the project would also result in GHG emissions from stationary equipment to be installed at the facility and mobile sources associated with delivery trucks and worker vehicles. These issues will be evaluated in the EIR.
- ► Energy Conservation: The project would require an increase in energy use to operate the fourth production line. The EIR analysis will consider whether such use would be wasteful or inefficient, in accordance with Appendix F of the State CEQA Guidelines.
- ► Traffic: The project would result in minor increases in localized traffic volumes. The EIR will analyze whether the existing transportation network has sufficient capacity to serve the project. The analysis will be based on the most recently available published traffic data.

These issue areas will be discussed further in the EIR, and feasible and practicable mitigation measures will be recommended to reduce any identified potentially significant impacts.

Pursuant to CEQA, the discussion of potential effects on the physical environment is focused on those impacts that may be significant or potentially significant. CEQA allows a lead agency to limit the detail of discussion of the environmental effects that are not considered potentially significant (PRC Section 21100, CCR Sections 15126.2[a] and 15128). CEQA requires that the discussion of any significant effect on the environment be limited to substantial, or potentially substantial, adverse changes in physical conditions that exist within the affected area, as defined in PRC Section 21060.5 (statutory definition of "environment"). The attached Initial Study identifies other environmental issues as clearly insignificant and unlikely to occur. These environmental issues need not be discussed further in the EIR unless the lead agency subsequently receives information inconsistent with the finding in the Initial Study (CCR Section 15143). Environmental issue areas scoped out of the EIR will include an explanation of why these issues would not result in significant environmental effects and are not required to be evaluated further. Environmental issue areas that would be scoped out of the EIR are listed below.

- Aesthetics
- ► Agriculture and Forest Resources
- Biological Resources
- Cultural Resources
- Geology/Soils
- ► Hazards and Hazardous Materials
- Hydrology/Water Quality
- ▶ Land Use/Planning

- Mineral Resources
- Noise
- Population/Housing
- Public Services
- ▶ Recreation
- ► Tribal Cultural Resources
- Utilities/Service Systems

ALTERNATIVES TO BE EVALUATED IN THE EIR

In accordance with the State CEQA Guidelines (14 CCR Section 15126.6), the EIR will describe a range of reasonable alternatives to the project that are capable of meeting most of the projects' objectives, and that would avoid or substantially lessen any of the significant effects of the project. The EIR will also identify any alternatives that were considered but rejected by the lead agency as infeasible and briefly explain the reasons why. At a minimum, the EIR will provide an analysis of a "No-Project" alternative. The EIR will also identify the environmentally superior alternative from among the proposed project and alternatives.

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DOCUMENTS AVAILABLE FOR PUBLIC REVIEW

The NOP and Initial Study are available for public review at the following locations:

City of Ripon Planning Department

Ripon Branch Library

333 W Main Street

Ripon, CA 95366

Ripon, CA 95366

The NOP and Initial Study are also available for public review online at: http://www.cityofripon.org/connect/city_communication/public_notices.

PROVIDING COMMENTS

Agencies and interested parties may provide the City with written comments on topics to be addressed in the EIR for the proposed project. Because of time limits mandated by State law, comments should be provided no later than 5:00 p.m. on **December 18, 2018**. Please send all comments to:

City of Ripon Planning Department 259 N. Wilma Avenue, Ripon, CA 95366 Attention: Ken Zuidervaart, Planning Director Telephone: (209) 599-2108; Fax: (209) 599-2685; Email: kzuidervaart@cityofripon.org

Agencies that will need to use the EIR when considering permits or other approvals for the project should provide the name, phone number, and email address of a contact person. Comments provided by email should include "Diamond Pet Foods Project NOP Scoping Comment" in the subject line, and the name and physical address of the commenter in the body of the email.

All comments on environmental issues received during the public comment period will be considered and addressed in the Draft EIR, which is anticipated to be available for public review in early 2019.

PUBLIC SCOPING MEETING

A public scoping meeting will be held by the City as part of their regular City Council Meeting to inform interested parties about the project and the EIR review process, and to provide agencies and the public with an opportunity to provide comments on the scope and content of the EIR. The meeting time and location are as follows:

December 11, 2018 6:00 p.m. City Hall Council Chambers 259 N. Wilma Avenue, Ripon, CA 95366

The meeting space is accessible to persons with disabilities. Individuals needing special assistive devices will be accommodated to the City's best ability. For more information, please contact Ken Zuidervaart (at the contact information above) at least 48 hours before the meeting.