

Board of Directors Meeting Agenda

Date: September 19, 2024

Time: 6:00 p.m.

Location: SMUD Headquarters Building, Auditorium
6201 S Street, Sacramento, California

AGENDA

SACRAMENTO MUNICIPAL UTILITY DISTRICT BOARD OF DIRECTORS MEETING SMUD HEADQUARTERS BUILDING AUDITORIUM – 6201 S STREET SACRAMENTO, CALIFORNIA

September 19, 2024 – 6:00 p.m.

Virtual Viewing or Attendance:

Live video streams (view-only) and indexed archives of meetings are available at:
http://smud.granicus.com/ViewPublisher.php?view_id=16

Zoom Webinar Link: [Join SMUD Board of Directors Meeting Here](#)

Webinar/Meeting ID: 160 195 7615

Passcode: 061865

Phone Dial-in Number: 1-669-254-5252 or 1-833-568-8864 (Toll Free)

Verbal Public Comment:

Members of the public may provide verbal public comment by:

- Completing a sign-up form at the table outside of the meeting room and giving it to SMUD Security.
- Using the “Raise Hand” feature in Zoom (or pressing *9 while dialed into the telephone/toll-free number) during the meeting at the time public comment is called. Microphones will be enabled for virtual or telephonic attendees when the commenter’s name is announced.

Written Public Comment:

Members of the public may provide written public comment on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via email to PublicComment@smud.org or by mailing or bringing physical copies to the meeting. Email is not monitored during the meeting. Comments will not be read into the record but will be provided to the Board and placed into the record of the meeting if received within two hours after the meeting ends.

Call to Order.

a. Roll Call.

1. Approval of the Agenda.

2. Committee Chair Reports.

- a. Committee Chair report of September 10, 2024, Strategic Development Committee
- b. Committee Chair report of September 11, 2024, Policy Committee
- c. Committee Chair report of September 17, 2024, Finance & Audit Committee
- d. Committee Chair report of September 18, 2024, Energy Resources & Customer Services Committee

Items 6 and 7 were reviewed by the September 11, 2024, Policy Committee. Items 8 through 12 were reviewed by the September 17, 2024, Finance and Audit Committee.

Comments from the public are welcome when these agenda items are called.

Consent Calendar:

3. Approve Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of August 16, 2024, through September 15, 2024.
4. Approval of the minutes of the regular meeting of August 15, 2024.
5. Approval of the minutes of the special meeting of August 20, 2024.
6. Accept the monitoring report for **Strategic Direction SD-7, Environmental Leadership. Policy Committee 9/11. (Frankie McDermott)**
7. Accept the monitoring report for **Strategic Direction SD-9, Resource Planning. Policy Committee 9/11. (Lora Anguay)**
8. Authorize the Chief Executive Officer and General Manager to negotiate and award a Sole Source contract to **Siemens Industry, Inc.** for the upgrade of their proprietary **Energy Management System (EMS)** for the term September 20, 2024, through December 31, 2026, for a total not-to-exceed amount of \$7 million. **Finance and Audit Committee 9/17. (Laura Lewis)**
9. Approve proposed revision to **Energy Risk Management and Energy Trading Standards** under **Board-Staff Linkage BL-12, Delegation to the CEO with Respect to Transactions Involving Transmission and Wholesale Energy, Fuel and Environmental Attributes** to address federal Public Utility Regulatory Policy Act (PURPA) Regulations. **Finance and Audit Committee 9/17. (Laura Lewis)**
10. Authorize the Chief Executive Officer and General Manager to negotiate and award a contract to **United Health Care Insurance Company (United HealthCare)** to provide administration of SMUD's medical benefits plan for an initial three-year period from January 1, 2025, to December 31, 2027, with two optional one-year extensions for a contract total not-to-exceed amount of \$275 million. **Finance and Audit Committee 9/17. (Jose Bodipo-Memba)**
11. Approve contract change to Contract No. 4500043215 with **Kaiser Permanente** approving 2025 medical insurance premium rates and extending the contract by one year for the period January 1, 2025, through December 31, 2025; 2025 cost estimated at \$34.5 million. **Finance and Audit Committee 9/17. (Jose Bodipo-Memba)**

12. Authorize the Chief Executive Officer and General Manager, on behalf of **Sacramento Municipal Utility District (SMUD)**, to join, terminate, and rejoin **Public Risk Innovation, Solutions, and Management (PRISM)** for the placement or cancellation of employee benefits and other insurance policies or contracts in an amount not to exceed \$3 million each in support of SMUD's Family Paid Leave, Short-Term Disability and Long-Term Disability benefits and potential future employee benefits and other insurance needs, and to execute all agreements and documents necessary in connection with the placement or cancellation of the insurance policies or contracts. **Finance and Audit Committee 9/17.**
(Jose Bodipo-Memba)

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Public Comment:

13. Items not on the agenda.

Board and CEO Reports:

14. Directors' Reports.
15. President's Report.
16. CEO's Report.
 - a. Board Video

Summary of Board Direction

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FOLLOWING ADJOURNMENT OF THE FOREGOING SMUD BOARD OF DIRECTORS MEETING, A SPECIAL MEETING OF THE FOLLOWING JOINT POWERS AGENCY WILL CONVENE:

SACRAMENTO MUNICIPAL UTILITY DISTRICT FINANCING AUTHORITY

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Board Committee Meetings and Special Meetings of the Board of Directors are held at the SMUD Headquarters Building, 6201 S Street, Sacramento

September 17, 2024	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Auditorium*	6:00 p.m.
September 18, 2024	Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
October 8, 2024	Strategic Development Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
October 9, 2024	Policy Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
October 15, 2024	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Auditorium	6:00 p.m.
October 15, 2024	Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting	Auditorium	Immediately following the Finance and Audit Committee and Special SMUD Board of Directors Meeting scheduled to begin at 6:00 p.m.

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Regular Meetings of the Board of Directors are held at the SMUD Headquarters Building, 6201 S Street, Sacramento

October 17, 2024	Auditorium*	6:00 p.m.
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**The Auditorium is located in the lobby of the SMUD Headquarters Building, 6201 S Street, Sacramento, California.*

Members of the public shall have up to three (3) minutes to provide public comment on items on the agenda or items not on the agenda, but within the jurisdiction of SMUD. The total time allotted to any individual speaker shall not exceed nine (9) minutes.

Members of the public wishing to inspect public documents related to agenda items may click on the Information Packet link for this meeting on the smud.org website or may call 1-916-732-7143 to arrange for inspection of the documents at the SMUD Headquarters Building, 6201 S Street, Sacramento, California.

ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email Toni.Stelling@smud.org, or contact by phone at 1-916-732-7143, no later than 48 hours before this meeting.

DRAFT

RESOLUTION NO. _____

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby approves Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of August 16, 2024, through September 15, 2024.

The Board of Directors of the Sacramento Municipal Utility District met in regular session simultaneously in the Auditorium of the SMUD Headquarters Building at 6201 S Street, Sacramento, and via virtual meeting (online) at 6:00 p.m.

Roll Call:

Presiding: President Herber

Present: Directors Rose, Bui-Thompson, Fishman, Kerth, Tamayo, and Sanborn

Present also were Paul Lau, Chief Executive Officer and General Manager; Laura Lewis, Chief Legal & Government Affairs Officer and General Counsel and Secretary, other members of SMUD's executive management; and SMUD employees and visitors.

Director Tamayo shared the 2030 Climate Action Tip.

President Herber called for approval of the agenda. Director Sanborn moved for approval of the agenda, Vice President Fishman seconded, and the agenda was unanimously approved.

Director Bui-Thompson, Chair, presented the report on the Strategic Development Committee meeting held on August 6, 2024.

Director Tamayo, Chair, presented the report on the Policy Committee meeting held on August 6, 2024.

Director Kerth, Chair, presented the report for the Finance & Audit Committee meeting held on August 13, 2024.

Director Rose, Chair, presented the report for the Energy Resources & Customer Services Committee meeting held on August 14, 2024.

President Herber then called for public comment for items on the agenda, but none was forthcoming.

President Herber then addressed the consent calendar consisting of Items 3 through 11. Director Tamayo moved for approval of the consent

calendar, Vice President Fishman seconded, and Resolution Nos. 24-08-01 through 24-08-08 were unanimously approved.

RESOLUTION NO. 24-08-01

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby approves Board member compensation for service rendered at the request of the Board (pursuant to Resolution No. 23-06-02) for the period of July 16, 2024, through August 15, 2024.

Approved: August 15, 2024

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

RESOLUTION NO. 24-08-02

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-13, Economic Development**, substantially in the form set forth in **Attachment A** hereto and made a part hereof.

Approved: August 15, 2024

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: July 24, 2024

FROM: Claire Rogers *CR 7/24/24*

SUBJECT: Audit Report No. 28007746
Board Monitoring Report; SD-13: Economic Development

Internal Audit Services (IAS) received the SD-13 *Economic Development* 2023 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

CC:

Paul Lau

Board Monitoring Report 2023

Strategic Direction

SD-13, Economic Development



1. Purpose & Background

Strategic Direction 13 (SD-13) Economic Development states that:

Promoting the economic vitality of our region and the growth of our customer base is a key value of SMUD. Therefore, SMUD shall exercise strategic leadership and actively participate in regional economic development.

Specifically:

- a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.
- b) SMUD shall align its economic development activities with regional economic development initiatives.
- c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.
- d) SMUD shall offer economic development rates and program incentives.
- e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.

2. Executive summary

SMUD is in compliance with SD-13, Economic Development.

SMUD continues to be a nationally recognized leader for our long-standing commitment to the economic health of the greater Sacramento region. In 2023, we built on the successes in helping businesses recover from the COVID-19 pandemic and worked to mitigate the top main issues faced by our local businesses (which account for over 50% of SMUD's revenue) through Community Impact Plan (CIP) resources, in-kind support and subject matter expertise to help in mitigating and addressing these challenges. Through CIP, we also expanded and deepened our partnership base to enhance our ability to raise awareness and adoption of the 2030 Zero Carbon Plan for all of SMUD's service area. We collaborated through key partnerships to support a shared vision of economic recovery while delivering greater collective impact and advancing an inclusive and equitable economy. Additionally, we aligned our economic development efforts with SMUD's vision to be a trusted and impactful partner in achieving an inclusive, zero carbon economy. We leveraged our relationships to accelerate innovation, ensure energy affordability and reliability, protect the environment, eliminate greenhouse gas emissions, catalyze economic and workforce development, promote environmental justice, and enhance community vitality for all.

Our strategy to enhance the economic vitality of the Sacramento region is comprehensive. Key tactics to engage, inform and support the regional business community include:

- Advancing SMUD's 2030 Zero Carbon Goal in inclusive, regional economic development efforts
- Leveraging Community Impact Plan funding to establish key business partnerships in mostly under-resourced business corridors
- Broadening support of the region's innovation ecosystem, including through the Sacramento Economic Growth Alliance (SEGA) and the California Mobility Center (CMC)

- Supporting business formation, attraction, retention, and expansion efforts
- Providing a spectrum of business development resources for entrepreneurs
- Enhancing accessibility to the Supplier Education and Economic Development (SEED) contracting program for local small businesses
- Continuing to offer and enhance economic development rates
- Providing energy efficiency programs and electrification incentives and rebates
- Expanding local agency and nonprofit partnerships to support community development
- Deploying significant resources to support a Diversity, Equity, Inclusion and Accessibility and Sustainable Communities plan that can be replicated and measured for effectiveness and impact
- Ensuring our commercial and industrial service connection costs are in line with other West Coast electric utilities
- Providing subject matter expertise and facilitating (power supply) for the developer community projects

Through outreach and education, SMUD's Supplier Education and Economic Development (SEED) team teaches local small businesses how to contract with SMUD and positively impact their bottom line. SEED offers incentives to local small businesses that participate in SMUD's competitive bid process. It also helps prime contractors find local sub-contractors, which helps them gain a competitive edge when developing their bids or proposals. In 2023, the SEED team partnered with Supply Chain Services and external partners, coordinating and/or participating in 242 outreach events and facilitating 13 How to Do Business with SMUD (HTDB) educational workshops, resulting in awarding 29% of SMUD's contracts to SEED-certified small businesses, exceeding the Board-established goal of 20% and increasing SEED program participation by 182 new SEED vendors. 105 SEED contracts were awarded in 2023, totaling more than \$103 million dollars.

SMUD works with over 50 local economic development organizations to enhance regional economic vitality. Our leadership roles in the Greater Sacramento Economic Council (GSEC), Valley Vision, Sacramento Metro Chamber, Urban Land Institute, Downtown Sacramento Partnership, Sacramento Black Chamber, Sacramento Hispanic Chamber, Sacramento Asian Pacific Chamber, Sacramento Area Council of Governments (SACOG), Sacramento Public Agency Consortium (SacPAC) and many others help ensure our activities support the region's efforts to attract, retain and expand companies in our service area. It also means SMUD has a seat at the table early on in economic development conversations. Other major tactics to encourage regional economic development include our dedicated Commercial Development and Commercial Delivery teams.

Business attraction was a key economic development focus in 2023. We participated in 24 business attraction, retention and expansion projects, supporting the attraction/expansion of 10 companies and the creation of an estimated 1,306 local jobs in multiple sectors including corporate headquarters, advanced manufacturing, technology, software development, and food processing.

3. Information about our 2023 efforts to achieve the specific elements outlined in SD-13 is provided in the following section.

a) SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.

Startup businesses and innovative new technologies are vital to creating an inclusive, zero-carbon economy. To help establish and accelerate these ideas into businesses, SMUD collaborates with local non-profit organizations that offer training, maker spaces, networking

and mentorship to startups at no cost. SMUD is a visible and reliable member of the ecosystem, often connecting our internal expertise to these outside entities for education, awareness and promotion of workforce opportunities in climate tech.

CMC had significant changes in its management and staff during 2023, and the strategy for the organization shifted towards focusing more on workforce development training, collaboration and coordination with the local and regional community organization, and delivering on federal and City government grants. The CMC's new CEO started in November 2023, and, as a result of the change in strategy and direction, the organization's business activities are now geared towards maintaining and strengthening the existing relationships in the local and regional workforce development business community. The CMC established new partnerships with more than a dozen local and regional partners leveraging SMUD's existing relationships in the region to collaborate on the workforce development training and job placements. Additional information on the CMC can be found in Appendix A.

SMUD continues to effectively balance our goal of fostering innovation with our commitment to keeping rates low. SMUD's average rates will remain competitive even after the adopted rate increases for 2024 and 2025. In 2023, SMUD's system average rate was 45.5% below PG&E, which includes their 5 rate changes in January, March, June, July and September (+3.3%, +4.4%, -1.8%, + 5.3% and +1.5%). A detailed summary of SMUD's rate competitiveness is provided in Appendix A.

b) SMUD shall align its economic development activities with regional economic development initiatives.

SMUD played a leadership role in regional economic development initiatives in 2023.

Grant Funding: SMUD played a key role in the Sacramento region receiving over \$330 million in federal and state grant funding to advance SMUD's 2030 Zero Carbon Plan goals and drive local economic development. Details regarding the grants SMUD received can be located in Appendix B.

California Jobs First: SMUD played a key role in the Sacramento region's implementation of the State's California Job's First program (previously referred to at the Community Economic Resilience Fund or CERF). Branded locally as We Prosper Together and administered through Valley Vision, the inclusive economic development initiative's goal is to uplift communities, encourage investment in the region and create living-wage jobs. SMUD participated in all regional and Sacramento/Yolo sub-regional stakeholder meetings, supported the region's efforts to draw-down \$13 million through the initiative's Catalyst Fund program providing pre-development project funding to Sacramento. Also, SMUD holds a seat on the Leadership Council overseeing the initiative's implementation.

Cap-to-Cap: SMUD sent a 13-member delegation to the Metro Chamber's 51st Annual Cap-to-Cap program in Washington D.C. to advocate for issues of regional significance to SMUD and our community partners and to further cultivate relationships with influential elected, business and non-profit leaders from the six-county Sacramento region. SMUD subject matter experts reviewed and contributed content to issue papers related to future mobility, air quality, wildfire and forest management, the CMC and workforce development. Also, SMUD staff served in a leadership capacity as a member of the Steering Committee and incoming chair for the overall program.

MBARK: SMUD continued as a lead supporter of the Minority Business Assistance and Recovery Kickstart (MBARK) program, a comprehensive, multi-pronged approach geared to assist minority small business owners in the community. MBARK utilizes understanding and expertise on the needs of minority small business owners and showcases how to proactively engage them in order to stabilize and grow their businesses. In 2023, MBARK provided 1,809 consulting hours to 2,296 separate businesses in SMUD's service area.

Property and Business Improvement District (PBID) Outreach: In 2023, through established formal partnerships, SMUD increased engagement with businesses within 14 PBID districts by 642%, participating in 51 outreach events compared to 5 in 2022. In collaboration with SMUD's formal PBID partners, EDP conducted 10 targeted business walks within these districts, sharing SEED and 2030 ZCP information in English and applicable translated languages. EDP's targeted outreach and engagement in these areas resulted in the awarding of eight sheltered market catering contracts valued at \$1.9M to small businesses identified within the districts of SMUD's formal PBID partners.

Internal and External Study Missions: As a member of the steering committees for both the Metro Chamber Study Mission to Toronto, Canada, and the Sacramento Asian Pacific Chamber of Commerce's Internal Study Mission, SMUD helped set the agenda and drive the dialogue with community leaders around key business issues and promote awareness of SMUD's 2030 Zero Carbon Plan.

Small and Mid-size Business (SMB) Support: SMUD's SMB team of Strategic Account Advisors continued to assist our customers by directing them to appropriate SMUD programs and services, as well as educating them on SMUD's 2030 Zero Carbon Plan and ways they can partner with us to ensure no business or community is left behind. For additional details on the efforts of the SMUD Small & Mid-size Business Team of Strategic Account Advisors, please see Appendix B.

Greater Sacramento Economic Council (GSEC): SMUD's partnership with GSEC is critical to the community as it contributes to regional prosperity by growing the economic base. In addition to Paul Lau's participation on the GSEC Board, SMUD's commercial and economic development representatives participate in GSEC's Economic Development Directors' Task Force. Given the focus on corporate Environmental, Social, and Governance (ESG) efforts, and its alignment to SMUD's 2030 Clean Energy Vision, we have played an increasingly important role in business attraction, retention, expansion and in helping brand the region.

Sustainable Communities Program: To promote regional workforce and equitable community development, SMUD continues targeting inclusive economic development, community/environmental health, and neighborhood engagement activities in vulnerable and under-resourced communities through its Sustainable Communities program. SMUD has invested \$35.1 million into this effort, leveraging partnerships to increase impact in these areas of need. Additional information regarding Sustainable Communities can be found in Appendix B.

c) SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.

Business Attraction: SMUD provided support in the attraction of 10 new companies that will create 1,306 jobs in SMUD's service territory.

Commercial Development: SMUD actively engaged in 137 commercial, industrial, mixed-use and residential projects throughout our service territory. The team additionally partners

with community organizations and municipalities to create economic opportunity and growth. Detailed information about SMUD's role in business attraction and commercial development is provided in Appendix C.

d) SMUD shall offer economic development rates and program incentives.

In 2023, SMUD offered an Economic Development Rate (EDR) to incentivize the attraction, retention, and expansion of businesses within our service area. A description of the current EDR can be found in Appendix D.

SMUD conducted strategic outreach and engagement to developers and builders of residential subdivisions and multi-family developments about its Smart Homes program offerings and incentives for All-Electric Smart Homes, SolarShares, and battery storage.

e) SMUD shall offer a contracting program for certified small businesses who are rate-paying customers.

SMUD's Supplier Education and Economic Development (SEED) program offered incentives to DGS-certified small businesses within SMUD service area in SMUD's competitive bid process. We grew the participating SEED vendor base by over 30%, with registered SEED vendors representing 48% of all DGS-certified small businesses within the Sacramento region by the end of 2023. It also helped prime contractors find local subcontractors to gain an advantage in developing their bids or proposals, providing 391 lists of SEED-qualified vendors to contractors in specific categories to leverage the SEED program in their bid responses.

The SEED team held 30 workshops, orientations or panel discussions and coordinated participation in 242 outreach events, participated in 15 business walks, reaching approximately 28,319 individuals.

SMUD's annual goal is to award no less than 20% of all contracts to certified small businesses. We exceeded that goal in 2023, awarding 29% of contracts to SEED qualified vendors, totaling more than \$103 million.

The SEED team also coordinated the Business Advisory Council (BAC) which raises local business awareness about contracting with SMUD and makes recommendations for improvements to our contracting process. SMUD hosts quarterly meetings for over 40 member agencies, including the leads of regional Chambers of Commerce and Property and Business Improvement Districts. For more information about our 2023 efforts to promote our SEED program, and the achievement of our SEED goals, please see Appendix E.

- 4. Challenges:** California's business climate, cost of doing business, decarbonization goals and regulatory standards present challenges to development. Permitting costs and delays pose barriers to market leading companies to relocate to other states. Limited availability of a trained workforce present hurdles to growth. SMUD continues to work with regional and state partners, such as GSEC, The Governor's office of Business and Economic Development (GO-Biz) and the California Association of Local Economic Development (CALED), to address the state and local regulatory challenges that limit our ability to attract or develop new businesses.
- 5. Recommendation:** It is recommended that the Board accept the Monitoring Report for SD-13, Economic Development.

APPENDIX A

SMUD shall promote innovation while maintaining rate affordability and balancing the other strategic directions.

SMUD's approach to innovation includes investments in regional accelerators, incubators, and curriculum delivery that support business development and entrepreneurship with a focus on an inclusive economy. Benefits to the community include job creation, increased revenue, innovation, community involvement, diversity, and greater economic opportunity. The work of these innovation and entrepreneurship partners is highlighted below:

CleanStart Inc. assists clean tech companies in the Sacramento region to make their innovations a commercial success and contribute to solving global climate challenges through education, access to capital, and connections. CleanStart coached 41 companies in 59 sessions to develop their ideas and prepare them to pitch to investors and granting agencies to get funded. CleanStart also presented nine (9) regional clean tech companies at the GFX Conference attended by over 1,000 people. This partner held its third Spotlight Investor Pitch Night featuring five (5) investor-ready clean tech companies and launched its third intensive bootcamp for clean tech entrepreneurs, the 16-session CleanStart CEO Crash Course, with eight (8) startups participating.

CleanStart now reaches an audience of over 5000 people with 14 events (662 attendees), a new YouTube Channel (4,227 views), a LinkedIn page (914 views), a monthly newsletter and funding alerts. CleanStart held three (3) networking mixers called PowerUp with 90 attendees. The outreach trailer made it to 12 events in 2023 and engaged 325+ people. In all of its events, CleanStart covered such topics as grant funding, success stories, building decarbonization, wind, solar, long-duration storage, low-carbon fuels, and microgrids.

Hacker Lab stands provides multifaceted entrepreneurship support, serving as an all-encompassing makerspace, coworking space, and workforce incubator renowned throughout the region. Its cornerstone programs have made significant strides: **MADE Studio** emerged as a dynamic studio-style makerspace, offering an impressive lineup of 60 classes monthly, thereby enhancing the skills of 1,200 participants over the year. The **MAKER EDU Pathways**, a pivotal workforce development initiative, provided eight (8) participants with an invaluable eight-month journey of mentorship, education, and entrepreneurship support. The **MAKEHERS program**, a women's small business incubator, celebrated the achievements of 40 women in 2023 with two 8-week small business accelerators, each granting the graduates \$40,000 in seed funding. Additionally, **Maker Markets** continued to attract 10 local makers monthly, while the Women's Marketplace, held on First Fridays, consistently drew 50 attendees each month.

InnoGrove continued to offer networking and educational workshops focused on startup and small business development, hosting 10 events reaching approximately 205 attendees, including Women-in-Tech Workshops and Startup Founder Workshops. InnoGrove also supported the Pitch Elk Grove competition for startups by hosting practice sessions for the Round of 16 competition. In addition, a longer-term role for InnoGrove is to provide a location where startup businesses can easily and cost-effectively develop their products with the goal of rolling out their company to larger, stand-alone space as their products grow (and as their team hires more local personnel). In 2023, InnoGrove had two of these successes - Core Impact and Tiami Networks started at InnoGrove and grew their team sufficiently to move out into free-standing space during 2023.

StartupSac accelerates Sacramento's startup and innovation ecosystem through educating, empowering, and connecting startups to founders and innovators. This included three Mentor Sacramento Office Hours Sprints, offered in collaboration with the Carlsen Center, which

matched over 170 early-stage entrepreneurs with expert mentors, investors, advisors, subject matter experts. StartupSac held three (3) Scale-Up! Workshops, educating 53 entrepreneurs about term sheets, deal documents and employment agreements. For the first time, StartupSac held its FastTrac entrepreneur 12-week bootcamp where 21 aspiring entrepreneurs learned how to launch a business. In collaboration with Startup Folsom, a monthly Startup Pitch Workshop was launched which provided feedback to 24 startups on their investor pitch decks and was attended by 142 people. In collaboration with the Carlsen Center, StartupSac organized two weekend-long Startup Challenge events which taught the principles of entrepreneurship to over 150 participants. For Capital Region Small Business Week, StartupSac organized a Resource Expo which attracted over 260 participants. For the second year in a row, StartupSac organized Pitch Elk Grove for the city of Elk Grove where 8 companies competed for \$17,000 in prize money and nearly 200 people attended. StartupSac held a total of 30 events, which attracted over 1400 attendees, including eight (8) StartupSac Happy Hour Events with 346 attendees.

Growth Factory is a nonprofit entrepreneurial development organization with an accompanying early-stage venture fund on a mission to create an entrepreneurial engine that scales high growth companies and catalyzes innovation in the Greater Sacramento region. Growth Factory has supported 85+ startup companies (30% from SMUD service area) through events, programs and activating over 100 mentors. SMUD also supplied thought leadership throughout the programming, particularly in areas of clean tech and operational excellence. The second annual GFX Venture Conference and Startup Showcase ([2023 Program](#)) attracted approximately 1000 attendees and featured 64 speakers including a breakout session with SMUD Chief Zero Carbon Officer Lora Anguay. The event also featured a tradeshow floor with 60 participating organizations, including SMUD. The event included the Backyard Awards Lunch in partnership with Stoel Rives, attended by 600 people, at which SMUD had a table and presented an award.

Carlsen Center for Innovation & Entrepreneurship at CSU Sacramento hosted the Startup Challenge and Global Entrepreneurship Week (GEW). At the two Startup Challenges, the Carlsen Center supported over 90 participants in either forming a new startup team or supporting the growth of existing startups with 33 final pitches. GEW 2023 featured 15 panels, 4 pitch events, 2 expos, and 1 speed mentoring event, with approximately 400 attendees with a reach of another 100 through LinkedIn live. One panel featured SMUD Director of Customer and Grid Strategy Rachel Huang about the Future of the Zero Emission Vehicle Industry. SMUD also helped host the LevelUp E3 (Equity for Every Entrepreneur) Sacramento Ecosystem Town Hall during GEW.

FourthWave, a local accelerator program for women-led technology in collaboration with the Carlsen Center for Innovation & Entrepreneurship, supported 11 startups ranging from agricultural technology to medical technology-based companies. Over 25 mentors, leadership coaches, and subject matter experts supported the cohort over the 16-week program. To date, the FourthWave program has seen their founders raise over \$70 million in capital funding as well as 200 new jobs created.

As a member of the **Sacramento Entrepreneurial Growth Alliance** (SEGA), SMUD meets quarterly to discuss areas to collaborate and grow entrepreneurship in the region. The [NorCal Entrepreneur Hub](#), an online tool/platform connecting entrepreneurs to organizations, resources, and events now highlights over 335 users, 260 organizations, and 461 resources. In September 2023, [SMUD](#) was an active partner and sponsor of E3Sacramento to support Equity for Every Entrepreneur. **E3 Sacramento**, consisted of three days of events, nine workshops and discussions, and 50+ people who engaged in building a more equitable entrepreneurial ecosystem in partnership with National non-profit Forward Cities, with Day 3 being hosted at SMUD. Lastly, SEGA landed one of 13 designations as an Inclusive Innovation Hub by the

California Office of the Small Business Advocate. This designation is followed by \$250,000 in funding towards SEGA efforts.

Our collaboration with **California Capital** supports the **Sacramento Valley Small Business Development Center (SBDC)** serving Sacramento County. In 2023, they held 98 events, serving 1,561 businesses. These efforts fostered 88 new business startups and creating 851 full and part-time jobs. The SBDC is a strong annual partner of our Capital Region Small Business Week and of SMUD’s SEED program, promoting public contracting and providing support through their APEX program.

The **CMC** developed new organizational policies and procedures required under the grant agreements, while it continued to refine its workforce development and training delivery models. The emphasis for 2023 was to optimize the recruiting and training strategies under the Federal and City grants. Strong partnerships were renewed with community-based organizations and a training provider that has a direct line of communication with underrepresented communities. These partners include Waking the Village, Women’s Empowerment, Saint John’s, Next Move, Greater Sacramento Urban League, Asian Resources, CA Asian Chamber of Commerce, Renewable Gateway and Charles A Jones Training Center. Partnership with the regional industry collaborative organization, Sacramento Valley Manufacturing Alliance, was also strengthened, which includes Siemens Mobility. Approximately 90 people were trained by end of 2023.

Commitment to Low Rates: SMUD continues to maintain rates that are below PG&E’s, both at a system level and by rate class.

PG&E Advice Letter 7009-E dated 8/25/23, effective 9/1/23.

Customer		Rate Categories		Average Annual Rate		Difference	Difference
				PG&E	SMUD	Below PG&E*	Below PG&E*
Class	Description	PG&E	SMUD	2023	2023	2023	2022
Residential	Standard	E-1	TOD	\$0.3822	\$0.1796	-53.0%	-48.0%
	Low Income	CARE***	EAPR & EAPRMED**	\$0.2437	\$0.1253	-48.6%	-42.0%
All Residential				\$0.3215	\$0.1710	-46.8%	-42.9%
Small Commercial****	<= 20 kW	B-1	GFN, CITS-0	\$0.3636	\$0.1739	-52.2%	-47.7%
	21 - 299 kW	B-6	CITS-1	\$0.3570	\$0.1607	-55.0%	-49.1%
Medium Commercial****	300 - 499 kW	B-10	CITS-2, CIP-2	\$0.3391	\$0.1501	-55.7%	-51.6%
	500 - 999 kW	B-19	CITS-3, CIP-3, CITT-3	\$0.2929	\$0.1408	-51.9%	-47.6%
Large Commercial****	=> 1 MW	B-20	CITS-4, CIP-4, CITT-4	\$0.2303	\$0.1203	-47.8%	-44.4%
Lighting	Traffic Signals	TC-1	TS	\$0.3578	\$0.1377	-61.5%	-57.6%
	Street Lighting	various	SLS,NLGT	\$0.4830	\$0.1564	-67.6%	-58.6%
Agriculture	Ag & Pumping	AG	ASN/D,AON/D	\$0.3307	\$0.1525	-53.9%	-48.6%
System Average				\$0.3133	\$0.1565	-50.1%	-45.5%

Notes:

* Projected 2023 average prices for SMUD with rates effective 1-1-23. PG&E average prices in 2023 reflect rates effective 9-1-23, per Advice Letter 7009-E. The rate difference in year 2022 reflects PG&E average rates as of 6-1-22, per Advice Letter 6603-E dated 5-20-22, and SMUD rates effective 3-1-22.

** CARE vs EAPR includes EAPR & EAPRMED customers.

*** There is no indication from PG&E that their CARE rates include customers who have a medical allowance only.

**** Commercial rates include WAPA credits.

Figure 1: Provides a detailed picture of the difference between SMUD’s and PG&E’s projected average rates by rates class in 2023 as well as the difference between rates in 2022. The rate competitiveness by class varies for the different customer classes and is at least 46.0% below comparable PG&E class average rates. Since the creation of the annual rate monitoring report in 2007, SMUD has consistently maintained rates that were more than 18% below PG&E.

APPENDIX B

SMUD shall align its economic development activities with regional economic development initiatives.

Leadership Roles: Throughout 2023, SMUD staff held visible leadership roles in regional economic development initiatives and organizations, helping ensure regional stakeholders are working in concert on business development, attraction, retention and expansion efforts and that our efforts are aligned with regional priorities. SMUD's leadership roles in regional economic development organizations included:

- 50 Corridor Transportation Management Authority, Board of Directors
- Business Environmental Resource Center, Advisory Committee
- Capitol Area Development Authority, Board of Directors
- Cap-to-Cap, Steering Committee Member
- California Mobility Center, Board of Directors
- Carmichael Chamber of Commerce, Board of Directors
- Citrus Heights Chamber of Commerce, Board of Directors
- Cleaner Air Partnership, Executive Committee
- Downtown Sacramento Partnership, Board of Directors
- El Dorado Chamber of Commerce
- Folsom Tourism and Economic Development Corporation, Board of Directors
- Greater Sacramento Economic Council, Board of Directors
- Greater Sacramento Economic Council, Economic Development Directors Taskforce
- Greater Sacramento Urban League, Board of Directors
- Internal Study Mission, Steering Committee
- Metro EDGE, Leadership Council
- Midtown Business Association, Board of Directors
- North Sacramento Chamber of Commerce, Board of Directors
- Northern California World Trade Center, Board of Directors
- Power Inn Alliance, Board of Directors
- Project Attain, Board of Directors
- R Street Sacramento Partnership, Board of Directors
- Rancho Cordova Chamber of Commerce, Board of Directors
- River District (Sacramento), Board of Directors
- Sacramento Asian Pacific Chamber of Commerce, Board of Directors
- Sacramento Black Chamber of Commerce, Board of Directors
- Sacramento Employment and Training Agency, Board of Directors
- Sacramento Hispanic Chamber of Commerce, Board of Directors
- Sacramento Metro Chamber of Commerce, Executive Committee
- Sacramento Metro Chamber Foundation, Board of Directors
- Sacramento Metro Chamber Study Mission, Steering Committee
- Sacramento Rainbow Chamber of Commerce, Board of Directors
- Sacramento Transportation Management Authority, Board of Directors
- Urban Land Institute, Executive Committee
- Valley Vision, Executive Committee

Grant Funding: SMUD made progress toward electric vehicle charging infrastructure with \$8M in awards. Winning the CEC REACH 2.0 grant will put in over 400 charging handles at multifamily house and nearby properties in disadvantaged communities. The CEC FAST grant will fund 15 DC Fast chargers at Sacramento International Airport, Amtrak and Sacramento

State to support ride share drivers and nearby disadvantaged communities. Also included in the total is \$50M for SMUD from the DOE for the Connected CleanPower City project.

Connected CleanPower City will adapt infrastructure to interact with technology and customers at the grid's edge, establishing visibility, management, and control. This ecosystem, created through grid and technology enhancements, combined with an existing Advanced Distribution Management System (ADMS), will enable real-time grid management of proliferating Distributed Energy Resources (DERs), the accelerated adoption of electric vehicles (EVs) and vehicle-to-everything (V2X), intelligent buildings, virtual power plants (VPP), battery storage, and electrified neighborhoods. To manage these assets, SMUD is accelerating the integration of Distributed Intelligence (DI) at the Grid Edge, an enhanced Distributed Energy Resource Management System (DERMS), and an advanced Outage Management System (OMS) to maintain and improve grid resiliency.

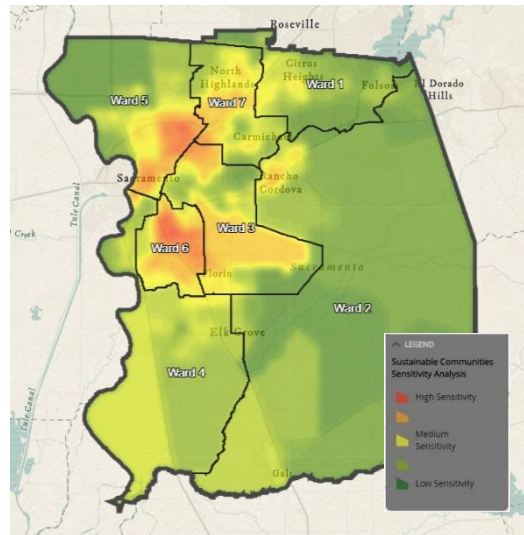
SMUD also supported Calpine with its \$270M application for the Sutter Decarbonization Project will retrofit the Sutter Energy Center, an existing 550- megawatt natural gas combined-cycle energy facility located in Sutter County, California. Working together with ION Clean Energy's post-combustion carbon capture technology and 1PointFive Sequestration LLC's more than 50 years' experience safely and securely storing CO2, the Sutter Decarbonization Project is critical to achieving California's ambitious carbon neutrality goals while maintaining grid reliability and affordable customer rates.

Sustainable Communities Program: Our Sustainable Communities program helps bring environmental equity and economic vitality to all communities in our service area, with special attention given to historically under-resourced neighborhoods. We believe in the ability to make a greater collective community impact through partnerships, and collaborate with private industry, government agencies and nonprofits to invest in and implement programs that provide equitable access to indicators of sustainable community success, with a focus on equity and environmental justice, inclusive economic development, clean energy and STEM education, and zero carbon workforce development.

Involvement of all our communities is foundational to our 2030 Zero Carbon Plan. SMUD recognizes the importance of partnering with all the communities we serve. We commit to reaching impacted communities as we work toward our goal of zero carbon. Under-resourced communities lack equitable access to the multiple essential community components necessary to ensure a high quality of life, including but not limited to livable wage employment and training opportunities, affordable housing options, transportation and connectivity, economic development, nutrition, education opportunities, and a healthy environment.

Our Sustainable Communities program strategically establishes long-term partnerships with community-based organizations and small businesses, working together on projects to help our under-resourced communities, increase inclusion and close the disparity gap in the region. These partnerships create trusted relationships and serve as a foundation for the community outreach, engagement, collaboration, and education needed to build livable, diverse, and resilient communities. We partner with policy makers, transit, technology companies, health care providers and community-based organizations, leverage our investments, and create collective impact to enhance workforce training, transportation access, clean energy, job creation and inclusive economic development in under-resourced neighborhoods.

SMUD’s Sustainable Communities Priority Map: To answer the call for a just and equitable clean energy transition, SMUD revised its Sustainable Communities Resource Priorities Map to include CoolClimate Network, Tree Equity Score, Property and Business Improvement Districts (PBIDs) and other data sets. The Sustainable Communities Resource Priorities Map helps inform resource allocation, reduce growing economic disparity in Sacramento County and ensure the benefits of SMUD’s 2030 Zero Carbon Plan are equitably shared among all communities. SMUD and its partners will better understand where clean energy infrastructure, customer programs, facility improvements, economic development investment and workforce development opportunities need to occur to achieve our ambitious decarbonization goals in an equitable manner.



Regional Workforce Development Strategic Plan Update: In 2023, SMUD continued working through the Regional Workforce Development Strategic Plan, with a goal of training at least 3,000 people to position them for clean energy and other economic opportunities and facilitating the employment of at least 1,000 people by the end of 2024. This regional strategy has worked to galvanize and prepare the region with an inclusive, diverse, skilled, and empowered future workforce. Through the Regional Workforce Development Strategic Plan initiatives, SMUD supported 48 community partners to rapidly deploy workforce development and training throughout the Sacramento Region, with a high emphasis on bringing opportunities to under-resourced communities. By fostering a responsive career ecosystem, SMUD continued to close economic equity gaps, build the requisite workforce to meet SMUD’s regional zero carbon goals, and attract new business investments to the region by supporting a skilled and work-ready workforce.

Energy Career Pathways: SMUD’s 2023 Energy Career Pathways recruited and trained individuals from SMUD’s Sustainable Communities target neighborhoods in solar, battery, EV, and electrification technologies. Our 2023 training partners, Grid Alternatives, Northern California Construction and Training Inc., and Cosumnes River College, supported graduates with employment services such as connecting with employers, resume help, and career coaching. Our effort closed the year with 150 individuals graduating and 57 being placed in relatively high-paying jobs. In the broader regional workforce development space, SMUD partnership agreements with 48 community organizations resulted in over 1,905 youth and adults reached with career education and over 750 adults trained in technical skills. SMUD worked with its partners to place 856 of these trainees into new careers. Participants were engaged in a number of industries, with emphasis given to skills and careers that will help SMUD meet its regional zero carbon goals.

Shine Program: In its seventh year, the Shine program invests in community nonprofit partners that deliver inclusive and equitable projects through collaborations and partnerships supporting our historically under-resourced communities. In 2023, 84 organizations submitted applications with compelling and competitive projects. We received requests for over \$3 million in funding for projects to increase access to zero carbon workforce development trainings and placement, inclusive economic development, clean energy and STEM education, energy efficiency projects, environmental justice and equity. For the 2023-2024 cohort, Shine will fund 29 projects totaling over \$593,000. This diverse portfolio of partners will support our under-resourced, under-represented communities, by developing our next generation of zero carbon workforce through

skills trainings and work placement, increasing clean energy and STEM Education, updating to energy efficient equipment, and improving our natural habitat through environmental justice and equity projects. We will support inclusive economic development with two projects from Franklin Blvd PBID and the Carmichael Improvement District identifying 11 businesses. We will increase access to zero carbon workforce skills programs for 1200 under-represented and under-resourced community members in the region. Also, we will increase our clean energy, STEM education and careers, and environmental justice activities to over 1,900 under-represented youth.

Small and Mid-size Business (SMB) Support: The SMB team came together and performed eight “blitzes,” covering every SMUD ward, where we visited hundreds of small & mid-size businesses to highlight topics ranging from SAA introductions, SEED vendor applications, storm preparation, kitchen electrification, and summer time-of-day education. Further, in close collaboration with Economic Development & Partnership, SMB members joined 21 business walks and attended or spoke at over 50 community events and association meetings so we could meet our customers “where they are” and share our vision for a zero-carbon future.

The SMB team hosted six kitchen electrification demonstrations to educate dozens of our commercial customers on the health, financial, and labor-saving benefits of all-electric kitchens. Attendees included restaurant owners, neighborhood associations, community partners, and even SMUD colleagues interested in learning about available technology.

Finally, SMB SAAs, in close collaboration with Sustainable Communities, Economic Development & Partnerships, and Advanced Energy Solutions, worked to bring Community Impact Plan (CIP) funding to members of the Del Paso Boulevard Property & Business Improvement District (PBID). The SMB team presented and shared information with dozens of business owners and community members at several events and onsite meetings and helped walk them through the process of applying for commercial funding for electrification and energy efficiency projects at their businesses. The SMB team was critical to the process as building trust, answering concerns, coordinating site visits, and providing ongoing education and strategic advice to our commercial customers in underserved areas is paramount to moving a project from application to completion. The lessons learned in Del Paso will guide and inform our 2024 strategy as we move from Business District Electrification pilot to program.

Energy Efficiency: Our Complete Energy Solutions (CES) and Express Energy Solutions (EES) programs were positioned well to lead electrification and energy efficiency projects for SMB customers in 2023. SMB customers continued to take advantage of a comprehensive list of incentive opportunities available through EES. Additionally, SMB customers utilized the ease of the CES program implementing turnkey solutions for them to complete energy projects. Many commercial customers were able to participate in both energy efficiency and Go Electric measures where they received incentives for multiple measures, saving money while reducing their carbon footprint. Program managers from both EES and CES contributed and participated in quarterly Business Go Electric campaigns and community engagement events. Overall, CES and EES successfully completed 254 projects with our SMB customers in 2023.

APPENDIX C

SMUD shall assist in retaining, recruiting and growing commercial and industrial rate-paying customers.

In 2023, SMUD staff along with Commercial Development dedicated significant time and resources to managing a Transformer issuance policy with specific criteria to deal with supply

chain issues and transformers. This impacted our work significantly in residential housing and commercial development projects throughout the service territory.

Projects announced in 2023 include 10 companies and creating/retaining 1,306 new jobs:

- **Verndari** – life sciences company secured a location in Rancho Cordova with (5 jobs).
- **Clutch** – Announced it will locate its corporate headquarters (506 jobs) in Rancho Cordova
- **VideoVerse** – the video technology company selected a Sacramento location (15 jobs)
- **Azra Games** – The computer gaming company announced its expansion in Sacramento (10 jobs)
- **EyeRate**– Elk Grove-based software management company (30 jobs)
- **MyFloraDNA** – AgTech company expanding in Sacramento (25jobs)
- **Nivagan Pharmaceutical** – Expansion to add a new manufacturing site for a prescription
- **Solidigm** – Flash memory manufacturer (Intel spinoff) announced Rancho Cordova as its global HQ location (200 jobs)
- **Beewise** – Agtech company expanding its presence in Sacramento (10 jobs)
- **Mary Ann’s Bakery** – Food Processing company retained operations in Sacramento (105 jobs)

Commercial Development: In 2023, our Commercial Development team actively engaged with approximately 132 commercial, mixed-use, and residential project developers throughout our service area. Highlights for the year include:

- Outreach to builders and developers on 2030 Clean Energy Vision program opportunities
- SMUD Liaison for Statewide Community Infrastructure Program (SCIP)
- High-profile and critical projects include transitional and low-income projects, and transformational and major developments at UC Davis and Aggie Square
- The opening of Kubota western division headquarters in Elk Grove
- Target Corp. opened a largescale distribution warehouse facility located at Metro Air Park

Indoor Cultivation: The Commercial Delivery team continued to support the cannabis industry in 2023. Although new facilities coming online were fewer than in 2022, SMUD saw a 24% increase in demand and 25% increase in revenue from existing operators. Total annual revenue was \$28.5 million. Numerous operators reported a positive turn in the industry with the beginning of a market stabilization, an increase to wholesale pricing and overcoming challenges faced in 2021 and 2022. Notably, our largest indoor facility came online boasting an 82,000 square foot facility, employing over 80 fulltime employees hired mostly from the Sacramento area and bringing over 2.8MW of new load.

APPENDIX D

SMUD shall offer economic development rates and program incentives.

SMUD offers economic incentives to help attract new businesses and expand existing ones to grow the regional economy. Incentives range from helping design new construction to offering energy-efficient upgrades for equipment to proposing our Economic Development Rate (EDR).

Economic Development Rate: Customers that exceed 299kW for three consecutive months may qualify for the EDR. This rate has multiple options for our customers, including a frontloaded rate to help reduce initial operating costs, or a fixed discount over the ten-year period. Customers who locate in a disadvantaged community have the same options, but with a larger discount. Additionally, the Greater Sacramento Economic Council verifies the economic impact of the project. This ensures the customer is aware of other economic development

programs and incentives.

Size	Term	Industry Requirements	Job Requirements	Full Service Requirement	Discount
300kW+	10 years	No limitations	No minimum requirement	No	Two options for customers to choose: Standard EDR <u>Opt A:</u> 6% for years 1-5, declining 1% per year for years 6-10 <u>Opt B:</u> 4.5% for 10 years Rate for Disadvantaged Communities <u>Opt A:</u> 8% for years 1-5, declining 1.5% per year for years 6-10 <u>Opt B:</u> 6% for 10 years

Program Incentives: SMUD offered energy efficiency and electrification incentives to help meet the financial responsibility goals and growing sustainability needs of all our commercial customers. Commercial incentives help customers install new energy-saving equipment and make electrification modifications to their buildings as part of SMUD’s goal to achieve 100% net-zero-carbon by 2030. Incentives offered include but are not limited to energy-efficient LED lighting, heat pump space heating and cooling, domestic hot water, Kitchen electrification, and vehicle electrification. Overall, we provided incentives for improvements to 267 commercial customers for a combined total program energy savings of 29.45 GWh, equating to a reduction of 93,832 lifetime carbon emissions.

APPENDIX E

SMUD shall offer a contracting program for certified small businesses who are rate-paying customers. In 2023, we exceeded our SEED Program goal of awarding at least 20% of all contracts to certified small businesses. Specifically, we awarded 29% through 105 SEED Prime contracts totaling approximately \$103 million to local small businesses within SMUD service area.

Award Type	2022		
	Total Award \$	Award Count	Program %
SEED Prime	\$84,753,203.53	92	82%
SEED Sub-Contractors	\$15,235,435.09	-	-
Sheltered Market	\$3,198,000.00	13	18%
Grand Total	\$103,186,638.62	105	100%

The SEED team focused its efforts on the following key outreach initiatives:

- **Business Walks:** The SEED team conducted 15 business walks throughout the region with an emphasis on high priority areas identified on the SC Priorities Map. Business walks helped the SEED team build trust through repeated customer outreach, identifying language barriers and increasing SEED participation.
- **Expanding Education:** The SEED team developed a Proposal Writing 101 workshop and will launch this new educational offering in 2024. Proposal Writing 101 acts as a Part Two to the SEED team’s "How to do Business with SMUD" workshop. Proposal Writing 101 provides general best practices, definitions and tips for small businesses new to government contracting.

- **PBID Partnerships:** In 2023, through established formal partnerships, SMUD increased engagement with businesses within 14 PBID districts by 642%, participating in 52 outreach events compared to 7 in 2022. In collaboration with SMUD’s formal PBID partners, Economic Development & Partnerships (EDP) conducted 10 targeted business walks within these districts, sharing SEED and 2030 ZCP information in English and applicable translated languages. EDP’s targeted outreach and engagement in these areas resulted in the awarding of 8 sheltered market catering contracts valued at \$1.9M to small businesses identified within the districts of SMUD’s formal PBID partners.
- **Business Advisory Committee (BAC):** SEED hosted four quarterly meetings in 2023 for BAC business organization leaders, raising awareness about the SEED program, the 2030 Zero Carbon Plan, best practices, sponsored events, incentives, commercial programs and contracts awarded to BAC members’ constituents. In 2023, SEED hosted its inaugural BAC mixer providing BAC members an additional opportunity to connect and engage in a less formal setting. **How to Do Business with SMUD:** The SEED team used virtual formats and collaborated with community partners to deliver 12 educational workshops on SMUD’s procurement program and promote SEED participation opportunities.
- **“Meet the Buyers” Conference:** SEED’s 12th Annual Meet the Buyers Conference returned as a fully in-person event. In collaborating with SMUD’s Procurement team, SEED introduced a new event format offering interested suppliers 1:1 “matchmaking” appointments with procurement contract managers and specialists. The successful event drew 304 registrants, offering 100+ 1:1 matchmaking sessions, two panel discussions, one roundtable and 15 exhibitors. The event was very well-received, resulting in 10 new SEED vendors, 125 1:1 match-making participants, 12 new Power Voice participants and a 59% increase in Ariba open solicitation views.
- **SEED Marketing Updates/Translations:** The SEED team assisted with translating SEED and Meet the Buyers materials into two additional languages, providing marketing materials in Russian and Ukrainian.
- **Sheltered Market Initiatives:** The SEED team continually explores innovative ways to foster small business participation in solicitations and worked closely with Supply Chain to identify a sheltered market contracting opportunity in the area of professional services. The contracts are specific only to verified SEED vendors and resulted in 13 suppliers being awarded a total of \$3,198,000 in potential award dollars.
- **SEED Quarterly Newsletter:** The SEED team distributed over 285 electronic copies of the quarterly newsletter to external partners and SEED Ambassadors to highlight information on SEED program resources, contracting opportunities, free government contracting services, SEED supplier success stories, recent contract awards, upcoming bid opportunities, and small business events and workshops. It is also available on smud.org. The open rate, click rate and click-to-open rate for the external SEED recipients was higher than all SMUD emails on average, with an open rate of 50.53 percent, click rate of 10.88% and click-to-open rate of 21.53%. The SEED team will relaunch the SEED newsletter in an updated format for 2024.

RESOLUTION NO. 24-08-03

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-14, System Enhancement**, substantially in the form set forth in **Attachment B** hereto and made a part hereof.

Approved: August 15, 2024

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: July 24, 2024

FROM: Claire Rogers *CR 7/24/24*

SUBJECT: Audit Report No. 28007747
Board Monitoring Report; SD-14: System Enhancement

Internal Audit Services (IAS) received the SD-14 *System Enhancement 2023* Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

CC:

Paul Lau

Board Monitoring Report 2023

Strategic Direction

SD-14, System Enhancement



1. Background

Strategic Direction SD-14, the System Enhancement Board policy states that:

As a community-owned utility, SMUD recognizes that the relocation or underground placement of primary voltage power lines may be desirable to local jurisdictions to improve aesthetics, economic vitality, safety and disabled access. Therefore, it is a key value of SMUD to make selected distribution system enhancements, such as permanent relocation or underground placement of primary power lines below 69 kV.

- a) SMUD will, at its expense and where technically feasible, permanently relocate or underground existing overhead distribution facilities provided the governing body of the city or county in which the electric facilities are and will be located has:
 - i) Identified, after consultation with SMUD, a specific system enhancement project;
 - ii) Determined the project is in the public interest;
 - iii) Ensured all existing overhead communication facilities related to the project will also be permanently relocated or placed underground;
 - iv) Obtained and provided SMUD with all easements necessary for the project.

- b) After achievement of core financial targets, SMUD will annually commit up to one-half of one percent of its annual gross electric sales revenue to system enhancements. The proposed projects will be subject to SMUD's annual budget approval process, and uncommitted funds from any given year will not be carried over to future years. Funding will be assigned to projects brought forward by local cities or counties based on applying the following criteria (not in order of preference):
 - i) Project scale and/or cost when measured against available SMUD resources.
 - ii) Requesting entity has developed full scope, obtained all necessary easements, and development plan for customer service conversion from overhead to underground, as required.
 - iii) Extent to which the costs are borne by others.

2. Executive summary

The policy states that SMUD “will annually commit up to one-half of one percent of its annual gross electric sales revenue to system enhancements.” For 2023, this threshold was approximately \$8.35 million.

SMUD is in compliance with SD-14, System Enhancement.

The planning and execution of SD-14 projects is typically a multi-year process that starts with a preliminary work scope that is used to determine a ballpark cost estimate, to the finalization of the work scope that includes a detailed design and detailed cost estimate. After necessary permits and easements are obtained, the project is released for execution/construction. Table 1 below shows the committed projects and their design and construction schedules. The budget for these three multi-year projects were included in the approved operational plans and budgets. Two of the three projects were planned for 2022, but schedule changes driven by the local agencies moved the project design and construction to future years.

Table 1: Committed Projects in Progress

Local Jurisdiction	Project Title	Total Cost Estimate	2023 Project Budget	2023 Project Spend	Project Status
Sacramento County	Greenback Lane Road Improvements (0.8 miles)	\$1,000K	\$0K	\$18K	Design in 2024; Construction in 2026
City of Citrus Heights	Auburn Blvd. Rusch Park to I-80 (0.75 miles)	\$2,900K	\$2,670K ^(a)	\$49K	Design in 2023; Construction in 2025
City of Elk Grove	Elk Grove Blvd. Waterman to School St. (0.5 miles)	\$1,500K	\$7K ^(a)	\$32K	Design in 2023; Construction in 2025

(a) The original schedule called for the project construction to start in 2022 but the local agency deferred construction to later years.

3. Additional supporting information

Since the adoption of the SD-14 policy, 11 projects have been funded through the policy for a total of \$12.06 million. Table 2 below lists the projects completed by year.

Table 2: Completed Projects Since Policy Adoption

Local Jurisdiction	Project Description	SMUD Construction Completion	SMUD Project Cost
Sacramento County	Fair Oaks Blvd Landis to Angelina (0.3 miles)	2021	\$0.25 M
Sacramento County	Hazel Avenue Phase 3 Sunset to Madison (0.7 miles)	2021	\$1.22 M
City of Sacramento	Sutter Village (~200 feet)	2019	\$0.12 M
City of Sacramento	Ice Blocks Project R Street b/w 16th & 18th Streets (1,000 ft.)	2017	\$0.47 M
Sacramento County	Hazel Avenue Phase 2 b/w Curragh Downs & Sunset Ave. (1 mile)	2017	\$2.3 M
Sacramento County	Fair Oaks Blvd. b/w Landis Ave. & Engle Rd. (0.5 miles)	2016	\$1.2 M
City of Sacramento	16th and O Streets (1,000 ft.)	2013	\$0.3 M
Citrus Heights	Auburn Blvd. b/w Sylvan Corners & Rusch Park (1 mile)	2013	\$2.6 M
Sacramento County	North Highlands Town Ctr. at Watt Ave. & Freedom Park Dr. (0.5 mile)	2012	\$1.1 M
City of Sacramento	7th St. b/w North B & Richards Blvd. (1,500 ft.)	2012	\$1.3 M
City of Sacramento	Richards Blvd. b/w North 5th & North 7th Streets (1,000 ft.)	2012	\$1.2 M

4. Challenges

There were no challenges encountered with the implementation of the Board policy in 2023.

5. Recommendation

It is recommended that the Board accept the 2023 Monitoring Report for SD-14, System Enhancement.

6. Appendices

N/A

RESOLUTION NO. 24-08-04

WHEREAS, on April 8, 2024, SMUD issued Request for Proposal No. Doc4512407737 (RFP) to solicit qualified firms to provide supply of wood utility poles; and

WHEREAS, three proposals submitted in response to the RFP were evaluated; **NOW, THEREFORE**,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:

Section 1. As a result of such examination, **Stella-Jones Corporation** and **Conrad Forest Products** are hereby determined and declared to be the highest evaluated responsive proposers to provide supply of wood utility poles.

Section 2. The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to negotiate and award contracts to **Stella-Jones Corporation** and **Conrad Forest Products** for supply of wood utility poles during the five-year period from August 21, 2024, through August 21, 2029, for an aggregate contract not-to-exceed amount of \$18,000,000.

Section 3. The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the contracts that, in his prudent judgment: (a) further the primary purpose of the contracts; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.

Approved: August 15, 2024

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

RESOLUTION NO. 24-08-05

WHEREAS, by Resolution No. 23-02-06, adopted on February 16, 2023, this Board authorized the Chief Executive Officer and General Manager to award Contract No. 4600001697 to **Clarke & Rush Mechanical, Inc. (Clarke & Rush)** and Contract No. 4600001698 to **Eagle Systems International, Inc. dba Synergy Companies (Synergy)** (collectively, the **Contracts**) for Heating, Ventilation and Air Conditioning (HVAC) Plus Building and Transportation Electrification Services for a two-year period from February 20, 2023, to February 19, 2025, for a total aggregate contract not-to-exceed amount of \$12,000,000; and

WHEREAS, Contract Change 1 to the **Contracts** modified the rate schedule by removing items that were obsolete and increased certain rate schedule items; and

WHEREAS, in May 2024, the full applicable contingency amount of \$1,200,000, was released for the **Contracts** due to rising costs of electrification and an increase in electrification measures in 2023; and

WHEREAS, increasing the authorized contract amount for the **Contracts** and extending the expiration date will ensure continuity of necessary work as new contracts are put in place; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Section 1. That this Board hereby authorizes the Chief Executive Officer and General Manager, or his designee, to extend the contract expiration date from February 19, 2025, to December 31, 2025, and increase the aggregate contract not-to-exceed amount for Heating, Ventilation and Air Conditioning (HVAC) Plus Building and Transportation Electrification Services by \$15 million, from \$13.2 million to \$28.2 million, for Contract No. 4600001697 with **Clarke & Rush Mechanical, Inc.** and Contract No. 4600001698 with **Eagle Systems International, Inc. dba Synergy Companies** (collectively, the **Contracts**).

Section 2. The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of

the **Contracts** that, in his prudent judgment: (a) further the primary purpose of the **Contracts**; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.

Approved: August 15, 2024

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

RESOLUTION NO. 24-08-06

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-5, Customer Relations**, substantially in the form set forth in **Attachment C** hereto and made a part hereof.

Approved: August 15, 2024

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: July 10, 2024

FROM: Claire Rogers *CR 7/10/24*

SUBJECT: Audit Report No. 28007748
Board Monitoring Report; SD-5: Customer Relations

Internal Audit Services (IAS) received the SD-5 *Customer Relations* 2023 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

CC:

Paul Lau

Board Monitoring Report 2023

SD-5 Customer Relations



1) **Background**

Strategic Direction SD-5, Customer Relations states that:

Maintaining a high level of customer relations is a core value of SMUD. Additionally, the Board sets a customer satisfaction target of 95 percent with no individual component measured falling below 85 percent. In addition, the Board establishes an overall customer experience “value for what you pay” target of 70 percent by the end of 2025 and 80 percent by the end of 2030, with neither the average commercial customer score falling below 69 percent nor the average residential customer score falling below 65 percent in any year.

As part of this policy:

- a) SMUD customers shall be treated in a respectful, dignified and civil manner.
- b) SMUD shall communicate a procedure for customers who believe they have not received fair treatment from SMUD to be heard.

2) **Executive summary**

To ensure customers are receiving the highest quality of service, SMUD measures the satisfaction of key interactions with SMUD: Outages, Tree Trimming, Bill Inquiries, New Connections, Interactive Voice Response (IVR) Payments, and IVR Payment Arrangements.

In addition, we measure Value for What You Pay as value drives customer loyalty. Value is defined as the trade-off between the perceived benefits a customer gets to the cost they have to pay for the benefits. Knowing what customers value allows SMUD to tailor services, products, and offerings to sustain customer relationships as the utility market evolves. SMUD is measuring customer perceived value because SMUD believes it is an effective early indicator of customer loyalty. When customers have options to choose alternatives, whether alternatives in energy, energy advisement, and other related services, we want our customers to continue choosing SMUD.

High satisfaction in these key interactions below and a high Value for What You Pay score support SMUD’s purpose and vision to act in the best interests of our customers and community.

a. SMUD is in compliance with SD-5.

- SMUD has exceeded the target of 95% with an overall Customer Satisfaction of **97%**. All six components exceeded the goals.
- SMUD achieved a **71%** overall Value for What You Pay score, with neither Residential nor Commercial falling below their prescribed floors.

Metric	2023 performance	2022 performance	2021 performance	2020 performance	2019 performance
Customer Satisfaction Level	97%	97%	97%	97%	97%
Tree Trimming	96%	95%	96%	95%	95%
New Connects	98%	98%	99%	99%	98%
Bill Inquiries	94%	96%	96%	96%	96%
Outage Communication	94%	96%	94%	95%	96%
IVR Payment	97%	98%	98%	97%	96%
IVR Payment Arrangement	95%	95%	94%	93%	98%
Value for What You Pay	71%	71%	76%	77%	67%
Commercial	72%	73%	79%	79%	69%
Residential	70%	70%	73%	75%	66%

3) Additional supporting information

Respectful Customer Treatment: Compliant

SMUD customers are treated in a respectful, dignified and civil manner. SMUD employees are trained to deliver quality customer experience through extensive, multi-channel employee competency development.

Respectful Customer Treatment Supporting Information:

- Virtual and In-Person Instructor Led training: 912 attendees
- Real Time Training (Bulletin Topics): 205 articles
- Journey Mapping and Design Thinking topics: 15

Hearing Appeal Process: Compliant

Customers are made aware of SMUD’s Hearing and Appeal process through multiple channels. The back page of every paper bill describes the process. In addition, the process is described in detail on the SMUD website and is linked from the digital bill in My Account.

Zero hearings were conducted in 2023, as staff successfully resolved all escalations within standard customer communication channels.

4) **Challenges**

2023 kicked-off with an unprecedented series of winter storms that challenged our resources and left our region and community battered. Multiple severe storms in quick succession reinforced that the frequency and severity of extreme weather events continues to increase as a result of climate change. Staff worked throughout the year to enhance our storm response efforts, processes, and communications. Throughout the year, residential customers reported feeling financially worse off than before the COVID-19 pandemic as SMUD resumed our normal collections processes, and customers continued paying down debt amassed during the pandemic period. As these trends persist into 2024, staff has responded by identifying and deploying customer experience enhancements in the areas of outage communication and billing and payment. While the last of the state and federal funding supporting customer bill payments wound down, funding to support electrification has started to uptick. Through SMUD's Community Impact Plan and regional and federal support, 2023 was a successful grant year which allowed more funding to customers, particularly lower-income neighborhoods, for housing upgrades and electrification. This trend continues into 2024, recognizing the upcoming election has potential implications for future clean energy funding. Customer expectations continue to evolve, as do our customer relationships as we transition to an increasingly two-way grid. Customer adoption of zero carbon technologies is still crucial for our region's clean energy future, and we're continuing to work with customers to encourage adoption and participation in a wide range of clean energy programs – from smart thermostats to electric vehicles – to maximize benefits for customers, the grid and SMUD.

Looking forward, SMUD will prioritize impacted communities and commercial regions, as economic improvement lags for many. We will enhance solutions to meet customer core needs around communication, energy solutions, SMUD responsiveness and helping them manage their energy usage. Our goal is to reach all communities and businesses with solutions for affordability, zero carbon and continued reliability.

5) **Recommendation**

It is recommended that the Board accept the Monitoring Report for SD-5.

6) **Appendices**

Not applicable.

RESOLUTION NO. 24-08-07

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-15, Outreach and Communication**, substantially in the form set forth in **Attachment D** hereto and made a part hereof.

Approved: August 15, 2024

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: July 31, 2024

FROM: Claire Rogers *CR 7/31/24*

**SUBJECT: Audit Report No. 28007749
Board Monitoring Report; SD-15: Outreach and
Communication**

Internal Audit Services (IAS) received the SD-15 *Outreach and Communication* 2023 Annual Board Monitoring Report and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

CC:

Paul Lau

Board Monitoring Report 2023

SD-15 Board Strategic Direction on Outreach and Communication



1) Background

Strategic Direction 15 (SD-15) Outreach and Communication states:

Providing broad outreach and communication to SMUD's customers and the community is a key value of SMUD.

Specifically:

- a) SMUD shall provide its customers the information, education and tools they need to best manage their energy use according to their needs.
- b) SMUD will use an integrated and consistent communication strategy that recognizes the unique customer segments that SMUD serves.
- c) SMUD's communication and community outreach activities shall reflect the diversity of the communities we serve. SMUD shall use a broad mix of communication channels to reach all customer segments. This communication shall be designed to ensure that all groups are aware of SMUD's major decisions and programs.

2) Executive summary

Strategic Direction SD-15 requires SMUD's communication and community outreach activities to reflect the diversity of our customers and the community we serve, using a broad mix of communication channels. In accordance, we look at the level of our marketing and outreach activities by communication channel, as well as the customer awareness of various programs and services by ethnicity.

SMUD is in compliance with SD-15 Outreach and Communication.

2023 started with an unprecedented series of back-to-back winter storms, causing widespread power outages throughout our service territory and the region. SMUD communications and community relations responded with in-person assistance to customers in need along with timely messages in multiple communication channels, providing updates and tips on our website, through social media and through local media outlets. Our Customer Care team worked around the clock for multiple days, answering calls and emails from customers.

In the spring, we launched the next phase of our Clean PowerCity campaign – Clean Power Savings - to support SMUD's Clean Energy Vision and the 2030 Zero Carbon Plan. The multi-language and multi-channel campaign highlighted the exclusive incentives available to SMUD customers to help them convert from gas-to-electric appliances and equipment as well as electric vehicles. These incentives are one way we can help our customers reduce carbon in homes and businesses as we work together to achieve zero carbon in our power supply by 2030.

After our summer rate Time-of-Day (TOD) reminder campaign featuring energy-saving tips, we launched our Contact SMUD First campaign in the fall. The campaign encouraged customers to reach out to SMUD when considering an electric vehicle (EV), for all things related to EVs – from low rates to charging at home or on the go. We were able to help thousands of customers make informed decisions about their electric vehicle purchase or lease, as well as charging needs.

SMUD could be seen or heard in more than a dozen customer-facing communication channels (in addition to at events), with information in up to 15 languages and Braille. We delivered over 20 marketing campaigns and participated in 1,711 community events, workshops, and partnerships. At all community events, we continued to encourage customers to “Join the charge,” provided information to attendees about why reducing carbon is important and promoted dozens of tips so customers could show support for and take actions related to SMUD’s 2030 Zero Carbon Plan.

Events and partnerships reflected the diversity of our community, including cultural, ethnic and/or special populations, LGBTQ, low income, military, seniors, disabilities, education, environmental, health & safety, STEM, agriculture, all electric, electric vehicles, faith, homeowner associations, young adults (18-30) and youth (0-17). See Appendices A and B.

We also look at trends related to the overall awareness of a cross-section of SMUD’s programs and services, segmented by ethnicity. The segments include Asian and Pacific Islander, Hispanic, Black and White. The programs measured are Rebates, Energy Assistance Program Rate (EAPR), Greenergy, Electric Vehicle (EV) discount rate, SMUD Mobile App, and Gas-to-Electric Appliance Conversion, added in 2022. See charts in Appendix B.

Key activities by SD requirement

SD Requirement	Program/initiative/policy	Purpose	Outcome	Notes
Education and tools to manage energy use	In 2023, we continued the series of Clean PowerCity campaigns with the Clean Power Savings campaign in Spring encouraging customers to use SMUD rebates and incentives to reduce carbon in their homes. In summer, we encouraged efficiency with TOD summer rate reminder on billboards and savings tips with a series of summer emails. In the fall we launched the Contact SMUD First campaign to highlight partnering with SMUD when planning to purchase an EV. In all, we implemented more than 20 campaigns in 2023 promoting customer programs and services, including EAPR, MED Rate, SMUD Energy	To provide customers with the education and tools for managing their energy use and their bills, while also working with SMUD to reduce carbon.	Successfully implemented campaigns that informed our customers of resources and tools available to them. Also successfully participated in over 1,700 community events with employees volunteering more than 14,000 hours. Awareness of most programs and were steady year-over-year. All the 1,711 events and partnerships included at least some cultural, ethnic and/or special populations, including LGBTQ, low income, military,	Our Clean PowerCity campaign, launched in support of the 2030 Zero Carbon Plan, also offers programs and services to help customers reduce energy use and carbon. In 2023, we launched the next phases of the campaign focused on the financial incentives available to customers along with dozens of

	Store, Budget Billing and Customer Due Date and others.		seniors, disabilities, education, environmental, health & safety and STEM, agriculture, all electric, Electric Vehicles, faith, homeowner associations, young adults (18-30) and youth (0-17). (Appendices A, B)	tips, including no-cost and low-cost, to “Join the charge” for zero carbon by 2030.
Integrated and consistent communication that recognizes unique customer segments	Implemented communications, including collateral and advertisements in up to 15 languages, and new in 2023, materials in Braille for our blind and visually impaired customers. We also leveraged 15 communication channels to ensure we reach our customers in the channel they prefer, at the time they need it and with information specifically targeted to them. We also participated in over 1,700 of community events to reach our many unique customer segments.	To have consistent, integrated messages available for various customer segments, including those based on ethnicity and other unique audiences along with those customers who may not see our messages in mainstream communication channels.	Nearly 440 million ethnic customer impressions, with all the 1,711 community events we participated in including some cultural, ethnic and/or special populations. Special populations include arts, LGBTQ, low income, military, seniors, disabilities, education, environmental, health & safety and STEM, agriculture, all electric, Electric Vehicles, faith, homeowner associations, young adults (18-30) and youth (0-17). (See Appendices)	
Broad mix of communication channels	In 2023, we used 15 customer-facing communication channels, including community outreach events and partnerships, digital search and display, 7 social media channels, broadcast and streaming television and radio, billboards, bus signs and train wraps, surveys, direct mail, email and customer bill. We supported 1,700 community events. By leveraging customer behavior data, machine learning and artificial intelligence, along with using a broad mix of channels, we reached customers in the communication channel they prefer. (See Appendix B)	To reach customers with our messages in the communication channels they prefer.	More than 807 million customer impressions across multiple communication channels and support of 1,711 community outreach events and partnerships in 2023 (see Appendices A, B). Just measuring TV and radio, the average SMUD customer had the opportunity to see or hear a SMUD commercial 50 times in 2023.	In 2023 we ramped up our presence on Over-The-Top (OTT) streaming television as more platforms came online. This enabled more precise geographic and other targeting than traditional broadcast and cable programming.

3) **Additional supporting information for SD-15, Outreach and Communication**

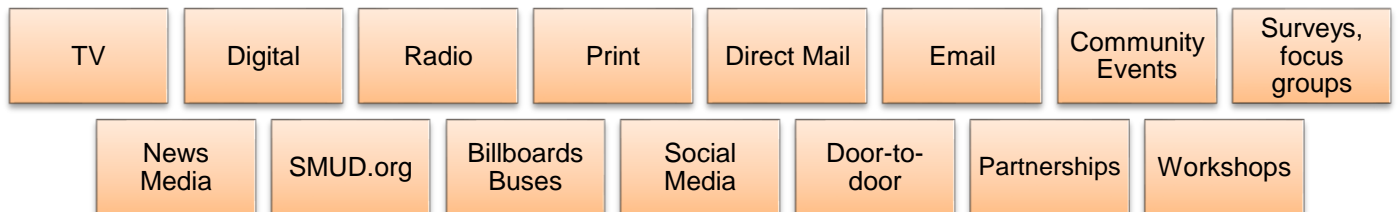
a) **SMUD shall provide its customers the information, education, and tools they need to best manage their energy use according to their needs.**

In 2023, we developed and implemented more than 20 marketing and communication campaigns, including:

- Battery Storage
- Budget Billing & Custom Due Date
- Clean Power Savings
- Clean Power My Business
- Community-Owned, Not-For-Profit
- Complete Energy Solutions
- Contact SMUD first
- Energy Assistance Program Rate (EAPR)
- Economic Development
- Electric Vehicles
- EnergyHELP
- Greenergy
- HomePower
- Integrated Design Solutions
- Paperless Billing/My Account
- Powering Futures
- Safety (Car Pole, Wildfire, call 811)
- SMUD Energy Store
- Shade Trees
- Shine Neighborhood Awards
- Time-of-Day summer tips

b) **SMUD will use an integrated and consistent communication strategy that recognizes the unique customer segments that SMUD serves.**

In 2023, our marketing and communications could be seen and heard in as many as 15 languages plus Braille and in 15 customer-facing channels, including:



c) **SMUD’s communication and community outreach activities shall reflect the diversity of SMUD. SMUD shall use a broad mix of communication channels to reach all customer segments. This communication shall be designed to ensure that all groups are aware of SMUD’s major decisions and programs.**

With hundreds of events and sponsorships, millions of emails and bill inserts, ads on tens of thousands of websites and apps and multiple social media channels, and our schedule of broadcast and streaming TV, radio and print advertisements, it is clear that we used a broad mix of channels to reach all our customers in the channels they prefer. This includes in-language media such as broadcast and streaming TV and radio, print advertising, digital and social media and customer collateral in more than a dozen languages. Plus, new in 2023, we have collateral in Braille.

These tactics delivered 807,666,030 customer impressions in 2023. Of these, 439,370,320 were ethnic impressions. For TV and radio alone, the average SMUD customer had the opportunity to see or hear a SMUD commercial 50 times in 2023.

Summary by channel:

- 12,493,463 bill package inserts
- 16,821,304 emails
- 7 social media channels
- 479 billboards, transit boards
- 36 print publications
- 866,473 direct mail pieces
- 27 radio stations
- 96,222 websites and apps
- 24 broadcast, cable and streaming TV stations

4) **Challenges**

2023 kicked off with a series of unprecedented winter storms, knocking out power to hundreds of thousands of customers. To meet the challenges of the moment, our communications and outreach shifted from traditional program messaging to safety and outage messaging across multiple communication channels to keep our customers and community informed.

Our use of a broad mix of channels and tactics to ensure SMUD messages reach our customers in the communication channels they prefer and when it's relevant to them, is an ongoing challenge as customer communication preferences continue evolving and often at a rapid pace with Artificial Intelligence (AI) continuing to have a growing impact on the communications landscape. While learning how to best leverage the power of AI is a challenge, the promise of improved targeting, messaging and other opportunities is an area where we continue to look to learn and grow.

Not all programs and services are intended for all customers, which is why we use target marketing, segmentation and digital channels that leverage machine learning and artificial intelligence to target our communications and outreach to customers most likely to qualify and benefit from a particular program or service.

We also continue to look to new opportunities to reach customers, but communication channels can be limited based on our service territory especially for those that prefer communications in languages that may have limited communication channels. The launch of translation on smud.org in 10 languages in mid-2024 will help significantly in reaching customers in languages other than English.

5) **Recommendation**

It is recommended that the Board accept the Monitoring Report for SD-15 Outreach and Communication.

6) **Appendices**

APPENDIX A
Community Outreach and Engagement

In 2023, we continued to be very active in the community through our support of efforts that improve the quality of life in our region. SMUD participated in 1,711 events and sponsorships, and SMUD employees volunteered 14,384 hours.

1,711 Total events & partnerships

14,384 Total volunteer hours

496 Community events or booths (Residential focus)

251 Workshops, panels, presentations or meetings

223 Sponsorships, networking events, mixers, tradeshow (Business focus)

170 Partnerships

199 Community sponsorships, networking events, mixers

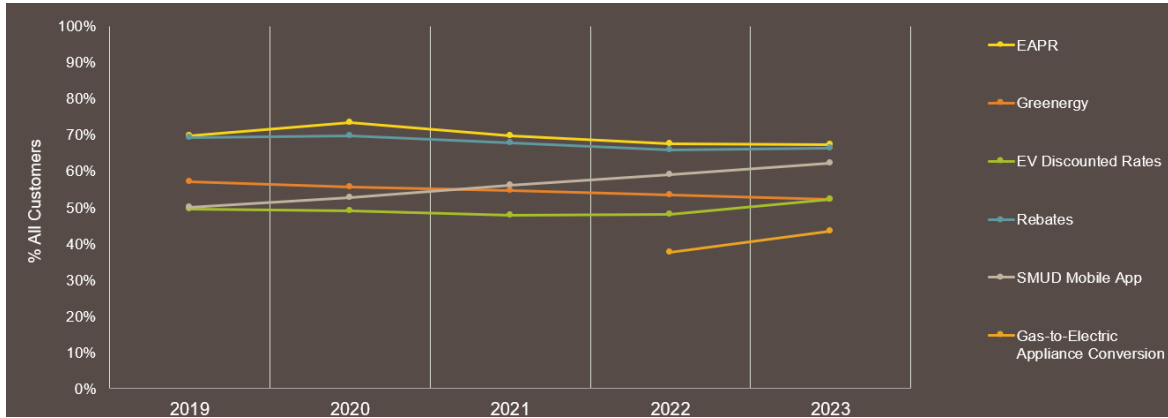
372 School outreach, education or career fairs

All events include cultural, ethnic and/or special populations. Special populations include arts, LGBTQ, low income, military, seniors, disabilities, education, environmental, health & safety and Science, Technology, Engineering, Math (STEM), agriculture, all electric, electric vehicles, faith, homeowner associations, young adults (18-30) and youth (0-17) and workforce development.

APPENDIX B Awareness of Programs by Ethnicity

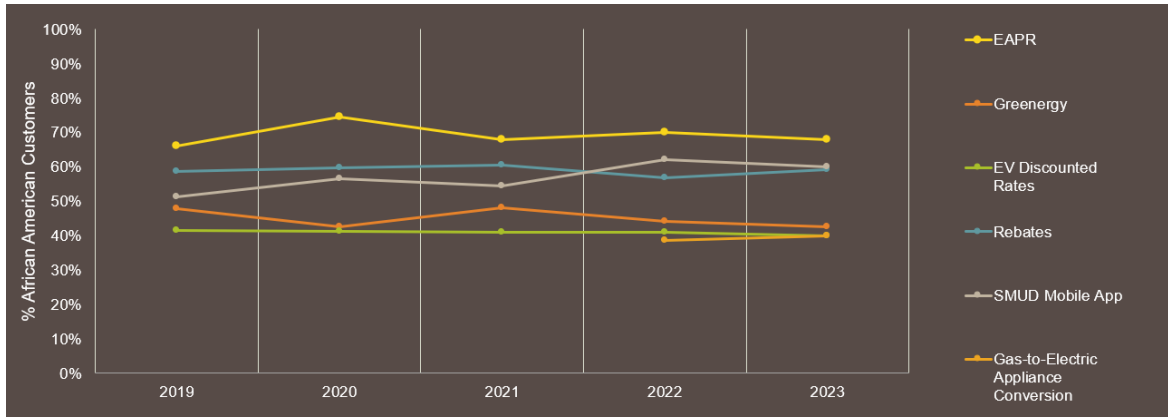
All Customers – Overall Awareness Trends

Notable increases in awareness of gas-to-electric appliance conversion, EV discounted rates and mobile app. All other programs were relatively steady year over year.



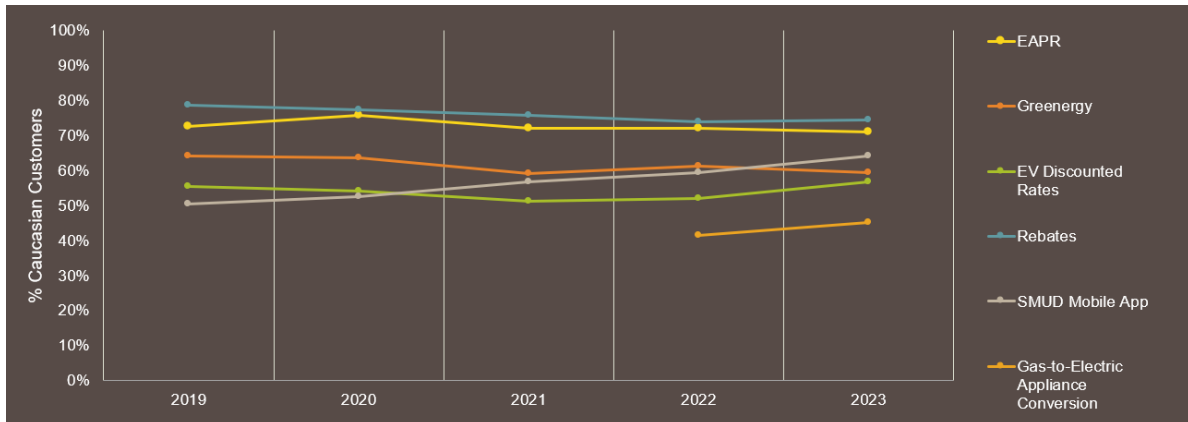
Black – Overall Awareness Trends

Awareness increased for rebates. All other programs were consistent or had minimal movement from the previous year.



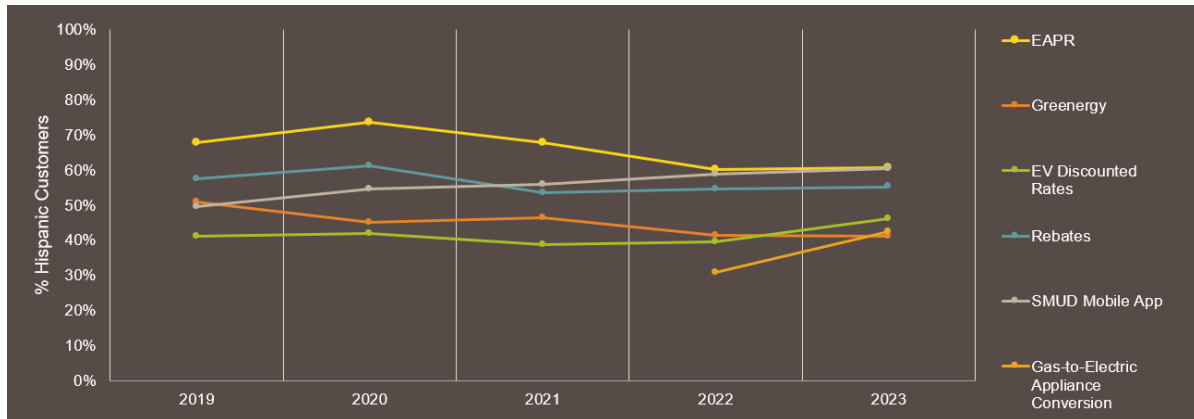
White – Overall Awareness Trends

Most notable increase in awareness of gas-to-electric appliance conversion, EV discounted rates and mobile app. Minimal changes in awareness for other programs.



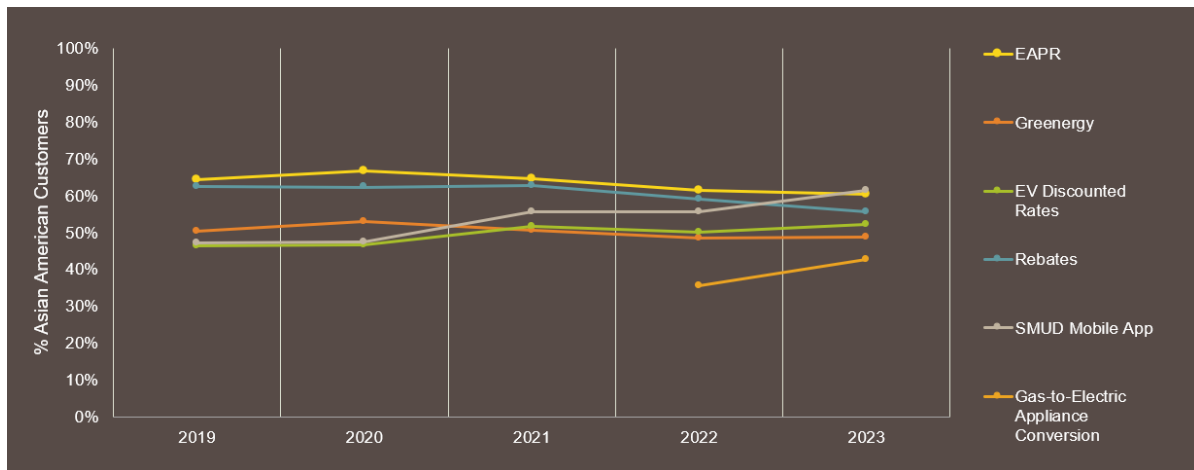
Hispanic– Overall Awareness Trends

Most notable changes were increased awareness of gas-to-electric appliance conversion and EV discounted rates. All other programs were consistent or had minimal movement from the previous year.



Asian Pacific Islander – Overall Awareness Trends

Most notable increase in awareness of gas-to-electric appliance conversion, the mobile app and EV discounted rates. Minimal change for other programs.



RESOLUTION NO. 24-08-08

WHEREAS, the **California Surplus Land Act** (the Act) states that a “local agency” such as SMUD may only sell “land owned in fee simple ... for which the local agency’s governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency’s use”; and

WHEREAS, the Act provides for a local agency’s governing body to designate such surplus land as “exempt surplus land,” with designated exemption classifications including sales of property that are less than 1/2 acre in size and not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes or is land transferred to a federally recognized Native American tribe; and

WHEREAS, SMUD owns 0.23 acres of vacant land in Sacramento County (APN 132-0041-016-0000) located on the north side of Bilby Road just east of Franklin Boulevard in Elk Grove that was formerly the site for the **Franklin-Bilby Substation (Franklin-Bilby Substation property)** and that is less than 1/2 an acre in size and not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes; and

WHEREAS, staff has determined the **Franklin-Bilby Substation property** is not needed for any other SMUD business purpose; and

WHEREAS, SMUD owns 0.13 acres of vacant land in Sacramento County (APN 258-0010-009-0000) located on the south side of Cypress Avenue in Carmichael that was formerly the site for the **Cypress Substation (Cypress Substation property)** and that is less than 1/2 an acre in size and not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes; and

WHEREAS, staff has determined the **Cypress Substation property** is not needed for any other SMUD business purpose and has initiated the disposition process with the **Sacramento Suburban Water District** who has expressed interest in the **Cypress Substation property**; and

WHEREAS, SMUD owns 0.09 acres of vacant land in Sacramento County (APN 201-0170-040-0000) located on the southeast corner of the intersection of W. Elverta Road and Power Line Road in Sacramento facing north that was formerly the site of the **Elverta-Power Line Substation (Elverta-Power Line Substation property)** and that is less than 1/2 an acre in size; and not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes and

WHEREAS, staff has determined the **Elverta-Power Line Substation property** is not needed for any other SMUD business purpose, has identified but not contacted two prospective parties who may have interest in purchasing, and has been notified that Sacramento County has proposed a road widening project along W. Elverta Road but has not confirmed a schedule; and

WHEREAS, SMUD owns approximately 2.0 acres of vacant land in Sacramento County (**Miscellaneous Property**); and

WHEREAS, staff has determined the **Miscellaneous Property** serves no operational need for SMUD and intends to convey the property to a federally recognized Native American tribe; and

WHEREAS, staff recommends the **Franklin-Bilby Substation property**, the **Cypress Substation property**, the **Elverta-Power Line Substation property**, and the **Miscellaneous Property** be declared exempt surplus land; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Section 1. That this Board finds that the former **Franklin-Bilby Substation property** is not needed for any other SMUD business purpose.

Section 2. That this Board finds that the former **Cypress Substation property** is not needed for any other SMUD business purpose.

Section 3. That this Board finds that the former **Elverta-Power Line Substation property** is not needed for any other SMUD business purpose.

Section 4. That this Board finds that the **Miscellaneous Property** is not needed for any other SMUD business purpose.

Section 5. That this Board declares the 0.23 acres of vacant land in Sacramento County (APN 132-0041-016-0000) located on the north side of Bilby Road just east of Franklin Boulevard in Elk Grove, the 0.13 acres of vacant land in Sacramento County (APN 258-0010-009-0000) located on the south side of Cypress Avenue in Carmichael, the 0.09 acres of vacant land in Sacramento County (APN 201-0170-040-0000) located on the southeast corner of the intersection of W. Elverta Road and Power Line Road in Sacramento facing north, and the approximately 2.0 acres of vacant land in Sacramento County are exempt surplus land because they are less than 1/2 acre in size and not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes (APNs 132-0041-016-0000, 258-0010-009-0000, and 201-0170-040-0000); or are being transferred to a federally recognized Native American tribe (2.0 acres of vacant land).

Approved: August 15, 2024

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR FISHMAN				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

President Herber then turned to Discussion Calendar Item 12, to adopt the California Environmental Quality Act (CEQA) Initial Study and Mitigated Negative Declaration (IS/MND) for the Elverta-McClellan 69kV Feeder Tie Project (Project); adopt the Mitigation Monitoring and Reporting Program; and approve the Project.

Ellias van Ekelburg, Director, Environmental, Safety & Real Estate Services, gave a presentation on Item 12. A copy of the slides used in his presentation is attached to these minutes.

No public comment was forthcoming on Discussion Calendar Item 12.

After some discussion, Director Sanborn moved for approval of Discussion Calendar Item 12, Director Rose seconded, and Resolution No. 24-08-09 was unanimously approved.

RESOLUTION NO. 24-08-09

WHEREAS, this Board has adopted policies stating this Board is committed to meeting customers' electrical energy needs (SD-4); demonstrating energy reliability and environmental leadership (SD-7); and ensuring high levels of customer satisfaction (SD-5); and

WHEREAS, SMUD's primary purpose is to supply electrical energy to customers in the Sacramento area; and

WHEREAS, SMUD proposes the **Elverta McClellan 69kV Feeder Tie Project (Project)** to replace approximately 5.5 miles of an existing above-ground 12 kilovolt (kV) cable with 69kV and 12kV cables along the western edge of the McClellan Air Business Park and northward within the community of Rio Linda in Sacramento County; and

WHEREAS, the **Project** would involve replacing or relocating approximately 140 power line poles and newly installing approximately 10 power line poles where they did not previously exist; and

WHEREAS, the **Project** involves three phases of development, *Phase 1*, *Phase 2A*, and *Phase 2B*; and

WHEREAS, *Phase 1* of the **Project**, located near the intersection of Winters Street and Rene Avenue, would involve replacement or relocation of 65 poles, as well as installation of seven new poles at the southern extent of Phase 1 where poles do not currently exist and additional new poles to be installed on Patrol Road; and

WHEREAS, *Phase 2A* of the **Project**, located along 20th Street from Ascot to Q Street, would include a 12kV underbuild and double-circuit 69 kV up to the intersection of 20th Street and Elkhorn Boulevard and would involve the replacement or relocation of 30 pole lines with six poles being removed from the alignment; and

WHEREAS, *Phase 2B* of the **Project**, located along Elkhorn Boulevard from 20th Street to 34th Street, would involve a net total of 50 poles replaced; and

WHEREAS, the **Project** would provide more consistent and necessary capacity for existing and proposed development in the area, including such proposed developments as the expansion of the Prime Data Center, Amazon's electric vehicle (EV) fleet charging, and SMUD's McClellan Battery Energy Storage System Project; and

WHEREAS, SMUD prepared an **Initial Study/Mitigated Negative Declaration (IS/MND)**, and **Mitigation Monitoring and Reporting Program** for the **Project** that incorporated environmental avoidance, mitigation and improvement measures; and

WHEREAS, the draft **Initial Study, Mitigated Negative Declaration**, and **Mitigation Monitoring and Reporting Program** were distributed to members of the Board, interested persons and organizations, public agencies, and landowners and occupants of adjacent parcels; notice was published in the *Sacramento Bee*, inviting public comment; the comment period was open from May 13, 2024, through June 24, 2024; an in-person public meeting was held on May 28, 2024, which was attended by two members of the public; and one public comment was received; and

WHEREAS, the public comment received from a public agency did not comment on the **IS/MND** but rather provided general reference and guidance to the agency's development regulations and thus did not warrant any revisions to the **Initial Study, Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program**; and

WHEREAS, the **Initial Study, Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program** are located in the records of SMUD under the custody of the Environmental Services Department; **NOW THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Section 1. This Board has reviewed and considered information in the **Initial Study, Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program**, together with comments received during the public review period; finds that the **Initial Study, Mitigated Negative Declaration** and

Mitigation Monitoring and Reporting Program as set forth in **Attachment E** hereto have been completed in compliance with the **California Environmental Quality Act (CEQA)**, the State Guidelines for implementation of **CEQA**, and Board Resolution No. 13-11-03 (Procedures for Implementation of **CEQA**); and finds that the **Initial Study, Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program** reflect the independent judgment and analysis of this Board.

Section 2. This Board finds, on the basis of the **Initial Study, Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program**, and comments received during the public review period, that there is no substantial evidence that the **Elverta McClellan 69kV Feeder Tie Project (Project)** may have a significant effect on the environment.

Section 3. Based on the **Initial Study, Mitigated Negative Declaration, Mitigation Monitoring and Reporting Program**, and the findings made by this Board, this Board adopts the **Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program** and approves the **Project**. The Environmental Services Department is directed to file with the County Clerk of Sacramento County, a Notice of Determination, which shall set forth the information required by **CEQA**.

Approved: August 15, 2024

INTRODUCED: DIRECTOR SANBORN				
SECONDED: DIRECTOR KERTH				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN	X			

Sacramento Municipal Utility District Elverta/McClellan 69 kV Feeder Tie Project

Final Initial Study and Proposed Mitigated Negative Declaration •
State Clearinghouse Number 2024050558 •
July 2024

Sacramento Municipal Utility District Elverta/McClellan 69 kV Feeder Tie Project

Final Initial Study and Proposed Mitigated Negative Declaration •
State Clearinghouse Number 2024050558 •
July 2024

Lead Agency:

Sacramento Municipal Utility District
6201 S Street, Mail Stop B209
Sacramento, CA 95817

or

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LIST OF ABBREVIATIONS

AFB	Air Force Base
BMP	best management practice
CEQA	California Environmental Quality Act
IS/MND	Initial Study/Mitigated Negative Declaration
kV	kilovolt
NO _x	oxides of nitrogen
NPDES	National Pollutant Discharge Elimination System
PM ₁₀	respirable particulate matter
PM _{2.5}	fine particulate matter
Project	Elverta/McClellan 69 kV Feeder Tie Project
ROG	reactive organic gases
SMAQMD	Sacramento Metropolitan Air Quality Management District
SMUD	Sacramento Municipal Utility District
SWPPP	stormwater pollution prevention plan

EXECUTIVE SUMMARY

Introduction

This Initial Study/Mitigated Negative Declaration (IS/MND) has been prepared to evaluate the potential physical environmental impacts associated with Sacramento Municipal Utility District's (SMUD) Elverta/McClellan 69 kV Feeder Tie Project (Project) in compliance with the California Environmental Quality Act (CEQA). SMUD is the lead agency responsible for complying with the provisions of CEQA.

Project Description

SMUD is proposing to replace approximately 5.5 miles of an existing above-ground 12 kilovolt (kV) cable with 69 kV and 12 kV cables. The Project would involve replacing or relocating approximately 140 power line poles, and newly installing approximately 10 power line poles where they did not previously exist. The Project involves three phases of development, Phase 1, Phase 2A, and Phase 2B. Phase 1, which would be located near the intersection of Winters Street and Rene Avenue, would involve replacement or relocation of 65 poles, as well as installation of 7 new poles at the southern extent of Phase 1, where poles do not currently exist, and additional new poles old be installed on Patrol Road. Phase 2A, located along 20th Street, from Ascot to Q Street, would include a 12 kV underbuild and double-circuit 69 kV up to the intersection of 20th and Elkhorn. Phase 2A would involve the replacement or relocation of 30 pole lines, with 6 poles being removed from the alignment. Phase 2B, located along Elkhorn Boulevard from 20th Street to 34th Street, would consist of a 69 kV single-circuit and 12 kV underbuild from Elkhorn and 20th to Elkhorn and 34th. Phase 2B of the Project would involve a net total of 50 poles replaced.

Findings

As lead agency for compliance with CEQA requirements, SMUD finds that the Project would be implemented without causing a significant adverse impact on the environment. Mitigation measures for potential impacts associated with Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Traffic and Transportation, and Tribal Cultural Resources would be implemented as part of SMUD's project through adoption of a mitigation monitoring and reporting program.

Cumulative Impacts

CEQA requires lead agencies to assess whether a project's incremental effects are significant when viewed in connection with the effects of other past, present, and foreseeable future projects. Based on the analysis presented in the Draft IS/MND, the Project would not contribute incrementally to considerable environmental changes when considered in combination with other projects in the area. Therefore, the potential cumulative environmental effects of the Project were determined to be less than

cumulatively considerable. All identified potentially significant impacts would be mitigated to less than significant.

Growth-Inducing Impacts

SMUD exists as a public agency to supply electrical energy to customers in the Sacramento area. It has an obligation to serve all new development approved by the local agencies and Sacramento County. SMUD does not designate where and what new development may occur.

Determination

On the basis of this evaluation, SMUD concludes:

- The Project does not have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered species, or eliminate important examples of the major periods of California history or prehistory.
- The Project would not achieve short-term environmental goals to the disadvantage of long-term environmental goals.
- The Project would not have impacts that are individually limited, but cumulatively considerable.
- The Project would not have environmental effects that would cause substantial adverse effects on human beings, either directly or indirectly.
- No substantial evidence exists to demonstrate that the Project would have a substantive negative effect on the environment.



Jerry Park
Environmental Management Specialist

July 15, 2024
Date

1 INTRODUCTION

1.1 Project Overview

The Sacramento Municipal Utility District (SMUD) proposes to replace approximately 5.5 miles of an existing above-ground 12-kilovolt (kV) cable with 69 kV and 12 kV cables. The Project would involve replacing or relocating approximately 140 power line poles, and newly installing approximately 10 power line poles where they did not previously exist. The Project alignment would occur in three phases: Phase 1, Phase 2A, and Phase 2B. The southern end of Phase 1 would be located near the intersection of Winters Street and Rene Avenue. It would run north along Winters, turn west onto Dean Street, north along Patrol Road, then west along Ascot Avenue to 20th Street. Phase 2A would be located along 20th Street, from Ascot to Q Street. Phase 2B would be located along Elkhorn Boulevard from 20th Street to 34th Street. All of the new poles would be located within Phase 1 of the Project alignment.

1.2 Environmental Process Summary

1.2.1 *Review of the Draft IS/MND*

Copies of the Draft IS/MND were made available in hard copy form for public review at SMUD offices (Customer Service Center and East Campus Operations Center), posted on SMUD's public website, and distributed to the State Clearinghouse via the Governor's Office of Planning and Research. A notice of intent was distributed to property owners and occupants of record within 1,000 feet of the Project alignment. The 30-day public review period began on May 13, 2024 and ended on June 12, 2024. SMUD held a public meeting on May 28, 2024. One comment letter was received during the comment period. The comment letter and SMUD's written responses are presented in Section 2.0 of this document. As noted in Section 2.0, the conclusions presented in the Draft IS/MND were not altered in response to comments received.

1.2.2 *Preparation of the Final IS/MND*

The comment letter was reviewed, and a response was prepared (see Section 2.0). Based on the comment received, there were no new environmental effects identified. The Final IS/MND does not incorporate any changes to the Project description or to the Initial Study checklist responses in the Draft IS/MND (provided as Appendix A of this Final IS/MND).

CEQA Guidelines

CEQA Guidelines Section 15073.5 provides the conditions for determining if recirculation of a negative declaration is required before adoption. Section 15073.5(a) states:

A lead agency is required to recirculate a negative declaration when the document must be substantially revised after public notice of its availability has previously been given pursuant to Section 15072, but prior to adoption.

According to Section 15073.5(b), a substantial revision is defined as:

- (1) A new, avoidable significant effect is identified, and mitigation measures or project revisions must be added in order to reduce the effect to insignificance, or*
- (2) The lead agency determines that the proposed mitigation measures or project revisions will not reduce potential effects to less than significance and new measures or revisions must be required.*

SMUD has determined that none of the aforementioned conditions were satisfied following public notice; therefore, recirculation of the Draft IS/MND is not required. SMUD, as the lead agency, may proceed to present the Final IS/MND to the SMUD Board for action.

Circumstances under which recirculation is not required include:

- (1) Mitigation measures are replaced with equal or more effective measures pursuant to Section 15074.1.
- (2) New project revisions are added in response to written or verbal comments on the project's effects identified in the proposed negative declaration which are not new avoidable significant effects.
- (3) Measures or conditions of project approval are added after circulation of the negative declaration which are not required by CEQA, which do not create new significant environmental effects and are not necessary to mitigate an avoidable significant effect.
- (4) New information is added to the negative declaration which merely clarifies, amplifies, or makes insignificant modifications to the negative declaration. (Section 15073.5[c])

No changes to the checklist in the Draft IS/MND is required; therefore, recirculation of the Draft IS/MND is not required.

1.3 Mitigation Measures

This section presents the mitigation measures SMUD would implement to address potential impacts on Air Quality (as addressed in 3.2 of the Draft IS/MND), Biological Resources (as addressed in 3.4 of the Draft IS/MND), Cultural Resources (as addressed in 3.5 of the Draft IS/MND), Geology and Soils (as addressed in 3.7 of the Draft IS/MND), Hazards and Hazardous Materials (as addressed in 3.9 of the Draft IS/MND), Traffic and

Transportation (as addressed in 3.17 of the Draft IS/MND), and Tribal Cultural Resources (as addressed in 3.18 of the Draft IS/MND). These measures reflect text revisions as documented in the Final IS/MND.

1.3.1 Air Quality

Conflict With or Obstruct Implementation of the Applicable Air Quality Plan

As discussed in Section 3.3, “Air Quality” of the Draft IS/MND, construction-related activities would result in Project-generated emissions of reactive organic gases (ROG), oxides of nitrogen (NO_x), respirable particulate matter (PM₁₀), and fine particulate matter (PM_{2.5}) from construction activities (e.g., digging holes for pole installation, pouring cement) off-road equipment, material delivery, and worker commute trips. Project construction would not generate emissions in excess of the Sacramento Metropolitan Air Quality Management District (SMAQMD) thresholds for NO_x; however, the Project, without the application of best management practices (BMPs), would generate daily and annual emissions of PM₁₀ and PM_{2.5} in excess of SMAQMD thresholds during construction activities (i.e., 0 pounds per day).

Implementation of Mitigation Measure 3.3-1 requires implementation of SMAQMD’s Basic Construction Emission Control Practices, which allows for adjustment of the SMAQMD Thresholds of Significance to a non-zero thresholds, which would bring construction-related emissions below SMAQMD thresholds. Therefore, construction-related emissions of criteria air pollutants and precursors would not exceed established air quality emissions thresholds, substantially contribute to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations such that adverse health impacts would occur. With implementation of Mitigation Measure 3.3-1, the potential impact of emissions generated during construction activities would be reduced to a **less-than-significant** level.

Mitigation Measure 3.3-1: Implement SMAQMD Basic Construction Emission Control Practices

SMUD shall incorporate the SMAQMD’s Basic Construction Emission Control Practices (BMPs). into the construction specifications for the Project. BMPs that shall be incorporated into the construction contract include those listed below.

- *Water all exposed surfaces two times daily. Exposed surfaces include, but are not limited to soil piles, graded areas, unpaved parking areas, staging areas, and access roads.*
- *Cover or maintain at least two feet or free board space on haul trucks transporting soil, sand, or other loose material on the site. Any haul trucks that would be traveling along freeways or major roadways should be covered.*

- *Use wet power vacuum street sweepers to remove any visible track out mud or dirt onto adjacent public roads at least once a day. Use of dry power sweeping is prohibited.*
- *Limit vehicle speeds on unpaved roads to 15 miles per hour (mph).*
- *Complete construction of all roadways, driveways, sidewalks, parking lots as soon as possible. In addition, building pads should be laid as soon as possible after grading unless seeding or soil binders are used.*
- *Minimize idling time either by shutting equipment off when not in use or reducing the time of idling to 5 minutes [required by California Code of Regulations, Title 13, sections 2449(d)(3) and 2485]. Provide clear signage that posts this requirement for workers at the entrances to the site.*
- *Maintain all construction equipment and ensure it is in proper working condition according to manufacturer's specifications. The equipment must be checked by a certified mechanic and determined to be running in proper condition before it is operated.*

Cumulatively Considerable Net Increase of any Criteria Pollutant Emissions

Sacramento County is currently in nonattainment for federal and State ozone, State PM₁₀, and federal PM_{2.5}. Ozone impacts are the result of cumulative emissions from numerous sources in the region and transport from outside the region. Ozone is formed by chemical reactions involving NO_x, ROG, and sunlight. Particulate matter also has the potential to cause significant local problems during periods of dry conditions accompanied by high winds, and during periods of heavy earth disturbing activities. Particulate matter (PM₁₀ and PM_{2.5}) may have cumulative local impacts if, for example, several unrelated grading or earth moving activities are underway simultaneously at nearby sites.

Implementation of Mitigation Measure 3.3-1 would reduce Project construction emissions and ensure that Project related emissions of NO_x, ROG, PM₁₀, and PM_{2.5} would not exceed SMAQMD thresholds during construction activities. The Project would implement SMAQMD BMPs to reduce fugitive dust emissions to the extent feasible.

Mitigation Measure 3.3-1: Implement SMAQMD Basic Construction Emission Control Practices (described above)

1.3.2 Biological Resources

Substantial Adverse Effect on Special-Status Plant Species

As described in Section 3.4, "Biological Resources" of the Draft IS/MND, six special-status plant species have the potential to occur within the Project alignment, including dwarf downingia (*Downingia pusilla*), Bogg's Lake hedge-hyssop (*Gratiola heterosepala*),

Ahart's dwarf rush (*Juncus leiospermus* var. *ahartii*), Red Bluff dwarf rush (*Juncus leiospermus* var. *leiospermus*), legenere (*Legenere limosa*), and Sacramento Orcutt grass (*Orcuttia viscida*). Suitable habitat for these plant species includes vernal pools as well as seasonal wetlands, swales, and other seasonally wet areas such as ditches. While potentially suitable habitats for these species were documented within and adjacent to the Project alignment, no such habitat would be directly affected by the Project. However, work activities adjacent to wetland features could cause impacts to habitat through construction personnel or equipment unintentionally trampling or otherwise affecting habitat.

Implementation of Mitigation Measures 3.4-1 through 3.4-4 would reduce impacts on special-status species and sensitive habitats through avoidance and compliance with the National Pollutant Discharge Elimination System (NPDES) Statewide construction general permit for stormwater runoff which would subject the Project to comply with state and federal water quality regulations and require development of a stormwater pollution prevention plan (SWPPP). With implementation of Mitigation Measures 3.4-1 through 3.4-4, the potential impacts to special-status plant species would be reduced to a **less-than-significant** level.

Mitigation Measure 3.4-1: Conduct Biological Resources Environmental Awareness Training

Before any work occurs, including equipment staging, all construction personnel shall participate in a biological resources environmental awareness training regarding special-status species and sensitive habitats present in the Project alignment. If new construction personnel are added to the Project, they must receive the mandatory training before starting work. As part of the training, an environmental awareness handout shall be provided to all personnel that describes and illustrates sensitive resources to be avoided during Project construction.

Mitigation Measure 3.4-2: Install Temporary Fencing to Protect Environmentally Sensitive Habitat Areas

Temporary fencing shall be placed along the boundary of the work areas to avoid and protect environmentally sensitive areas (waters of the U.S. and State, special-status species habitat) during construction activities. Fencing must be installed prior to the initiation of any vegetation removal, equipment staging, construction, or other Project activity. Fencing will consist of temporary construction barrier fencing or silt fencing and be of sufficient height to prevent construction personnel and equipment from entering any environmentally sensitive areas. The fencing will be checked regularly and maintained until all construction is complete.

Mitigation Measure 3.4-3: Conduct Weekly Biological Monitoring Visits

A qualified biologist shall make periodic monitoring visits to construction areas occurring in or adjacent to environmentally sensitive habitat areas. The construction contract shall specify that the construction contractor shall maintain the fencing protecting sensitive biological resources. Additionally, SMUD shall utilize a qualified biologist on-call to assist the construction crew in complying with all Project implementation restrictions and guidelines on a monthly basis or as needed.

Mitigation Measure 3.4-4: Restore Temporarily Disturbed Areas

All temporarily disturbed areas shall be returned to pre-Project conditions upon completion of construction. Soil stabilization may include, but is not limited to, seeding with a native grass seed mix and/or planting native plants. These areas will be properly protected from washout and erosion using appropriate erosion control devices including coir netting, hydroseeding, and revegetation. The existing grades in temporary impact areas will be recontoured to pre-Project conditions.

Substantial Adverse Effect on Vernal Pool Branchiopods

Suitable habitat for vernal pool tadpole shrimp and vernal pool fairy shrimp includes vernal pools as well as seasonal wetlands, swales, and other seasonally wet areas such as ditches. Suitable habitat for vernal pool fairy shrimp and vernal pool tadpole shrimp is located in numerous locations within and adjacent to the Project alignment. There are 17 records of vernal pool fairy shrimp and one record of vernal pool tadpole shrimp within 5.0 miles of the Project alignment. Based on preliminary Project design, the Project would not result in direct impacts to vernal pool branchiopod habitat. However, work activities adjacent to wetland features could cause indirect temporary impacts to habitat through sediment runoff into these features.

Implementation of Mitigation Measure 3.4-1 through 3.4-5 would minimize potential impacts to vernal pool branchiopods by avoiding suitable habitat, reducing impacts to a **less-than-significant** level.

Mitigation Measure 3.4-1: Conduct Biological Resources Environmental Awareness Training (described above)

Mitigation Measure 3.4-2: Install Temporary Fencing to Protect Environmentally Sensitive Habitat Areas (described above)

Mitigation Measure 3.4-3: Conduct Weekly Monitoring Visits (described above)

Mitigation Measure 3.4-4: Restore Temporarily Disturbed Areas (described above)

Mitigation Measure 3.4-5: Restrict Ground-disturbing Activities to the Dry Season (Between April 15 and October 15)

All ground-disturbing activities within 250 feet of suitable habitat for vernal pool branchiopods shall be restricted to the dry season (between approximately April 15 and October 15) to avoid the period when special-status species (vernal pool fairy shrimp, vernal pool tadpole shrimp, and western spadefoot) could be breeding.

Substantial Adverse Effect on Western Spadefoot Toad

The proposed Project would result in permanent impacts to potential hibernacula (i.e., upland) habitat (annual grassland) for western spadefoot. While no breeding habitat (seasonal wetland, vernal pools) would be directly affected, physical harm to individuals

may occur if they are present in the Project alignment during construction. Additionally, work activities adjacent to wetland features could cause indirect temporary impacts to habitat through sediment runoff into these features.

Implementation of Mitigation Measure 3.4-1 through 3.4-6 would minimize impacts to western spadefoot through pre-construction surveys, weekly monitoring, biological resources environmental awareness training, necessary fencing, restoration of disturbed areas, and limits to dry season construction activities would ensure that individuals would not be affected. With implementation of Mitigation Measure 3.4-1 through 3.4-6 the potential impact on western spadefoot would be reduced to a **less-than-significant** level.

Mitigation Measure 3.4-1: Conduct Biological Resources Environmental Awareness Training (described above)

Mitigation Measure 3.4-2: Install Temporary Fencing to Protect Environmentally Sensitive Habitat Areas (described above)

Mitigation Measure 3.4-3: Conduct Weekly Monitoring Visits (described above)

Mitigation Measure 3.4-4: Restore Temporarily Disturbed Areas (described above)

Mitigation Measure 3.4-5: Restrict Ground-disturbing Activities to the Dry Season (Between April 15 and October 15) (described above)

Mitigation Measure 3.4-6: Conduct a Pre-Construction Survey for Western Spadefoot

A qualified biologist will conduct a survey no less than 7 days prior to the initiation of any ground disturbing activities within or adjacent to suitable habitat for western spadefoot. This survey will comprise walking transects while conducting visual encounter surveys within areas that will be subject to staging, vegetation clearing, grubbing, grading, cut and fill, or other ground disturbing activities. The survey will include wetlands and adjacent grassland. All potential habitat features, such as crevices and burrows western spadefoot often use, within the area of disturbance will be searched to the maximum extent practicable. If the pre-construction survey shows that there is no evidence of western spadefoot, a letter report shall be submitted to SMUD for their records within 14 days of the survey, and no additional measures are required.

If western spadefoot are present within the work limits (including their egg masses or tadpoles), then CDFW will be notified and additional avoidance and minimization measures will be implemented. Any special-status species observed will be allowed to voluntarily move outside of the work area on its own volition.

Substantial Adverse Effect on Western Pond Turtle

Magpie Creek and Don Julio Creek provide suitable aquatic habitat for western pond turtle within and adjacent to the Project alignment, and grasslands and streambanks adjacent to this aquatic habitat provides suitable basking sites and upland egg-laying habitat for this species. Western pond turtles were not observed during the November 2023 and February 2024 surveys. However, both aquatic and upland habitat for western pond turtles is present within and adjacent to the Project alignment, and annual grassland would be permanently affected by construction activities associated with the Project. While no aquatic habitat would be directly impacted by the Project, construction activities have the potential to harm western pond turtles. In addition, work activities adjacent to Magpie Creek and Don Julio Creek could also cause indirect temporary impacts to habitat through sediment runoff into these features.

Implementation of Mitigation Measure 3.4-1 through 3.4-4 and Mitigation Measure 3.4-7 would minimize impacts on western pond turtles by conducting pre-construction surveys, weekly monitoring, biological resources environmental awareness training, necessary fencing, restoration of disturbed areas, and limits to dry season construction activities. With implementation of Mitigation Measure 3.4-1 through 3.4-4 and Mitigation Measure 3.4-7, the potential impact on western pond turtles would be reduced to a **less-than-significant** level.

Mitigation Measure 3.4-1: Conduct Biological Resources Environmental Awareness Training (described above)

Mitigation Measure 3.4-2: Install Temporary Fencing to Protect Environmentally Sensitive Habitat Areas (described above)

Mitigation Measure 3.4-3: Conduct Weekly Monitoring Visits (described above)

Mitigation Measure 3.4-4: Restore Temporarily Disturbed Areas (described above)

Mitigation Measure 3.4-6: Conduct a Pre-Construction Survey for Western Spadefoot

A qualified biologist shall survey the work site no more than 48 hours before the onset of activities for signs of western pond turtles and/or western pond turtle nesting activity (i.e. recently excavated nests, nest plugs) or nest depredation (partially to fully excavated nest chambers, nest plugs, scattered egg shell remains, egg shell fragments). Pre-construction surveys to detect western pond turtles in aquatic habitats should focus on suitable aerial and aquatic basking habitat such as logs, branches, rootwads, and rip-rap, as well as the shoreline and adjacent warm, shallow waters where pond turtles may be present below the water surface beneath algal mats or other surface vegetation.

Preconstruction surveys to detect western pond turtle nesting activity should be concentrated within 402 m (1,319 ft) of suitable aquatic habitat and should focus on areas along south- or west-facing slopes with bare hard-packed clay or silt soils or a sparse vegetation of short grasses or forbs. If western pond turtles or their nest sites are found, the biologist shall contact CDFW to determine whether relocation and/or exclusion buffers and nest enclosures are appropriate. If CDFW approves of moving the animal, the biologist shall be allowed sufficient time to move the western pond turtle(s) from the work site before work activities begin.

Substantial Adverse Effect on Special-Status and Common Nesting Birds

The mature trees within and adjacent to the Project alignment have potential to provide suitable nesting habitat for Swainson's hawk, white-tailed kite, and other common raptors and nesting birds. Common raptors that may nest along the Project alignment include Cooper's hawk (*Accipiter cooperii*), red-tailed hawk (*Buteo jamaicensis*), red-shouldered hawk (*Buteo lineatus*), and great horned owl (*Bubo virginianus*). A cooper's hawk was observed during the reconnaissance survey on November 28, 2023. In addition to common raptors, the Project alignment may also support other common nesting birds. The nests of common raptors and other common birds are protected under Sections 3503 and 3503.5 of the Fish and Game Code.

Implementation of Mitigation Measure 3.4-1 and 3.4-8 would ensure that the Project would not result in disturbance to or loss of nesting birds conducting pre-construction surveys and biological resources environmental awareness training. Therefore, the impact to nesting Swainson's hawk, white-tailed kite, and other nesting birds would be reduced to a **less-than-significant** level.

Mitigation Measure 3.4-1: Conduct Biological Resources Environmental Awareness Training (described above)

Mitigation Measure 3.4-8: Avoid or Minimize Effects on Nesting Birds

The following measures shall be implemented to avoid or minimize loss of active Swainson's hawk, white-tailed kite, and other nesting birds:

- If construction (including vegetation removal) would occur during the nesting season (between February 1 and August 31), a qualified biologist shall conduct pre-construction nesting bird surveys to determine whether birds are nesting in the work area or within 0.25 mile for Swainson's hawk and 500 feet for all other nesting birds.*
- The pre-construction nesting bird surveys will identify on-site bird species and any nest-building behavior. If no nesting Swainson's hawks are found on or within 0.25 mile of the project site or if no nesting birds are found on or within 500 feet of the project site during the pre-construction clearance surveys, construction activities may proceed as scheduled.*

- *If pre-nesting behavior is observed but an active nest of common nesting bird has not yet been established (e.g., courtship displays but no eggs in a constructed nest), a nesting bird deterrence and removal program will be implemented. Such deterrence methods include removal of the previous year's nesting materials and removal of partially completed nests in progress. After a nest is situated and identified with eggs or young, it is considered to be "active," and the nest cannot be removed until the young have fledged.*
- *If active Swainson's hawk nests are found within the nest survey area, the construction contractor shall avoid impacts on such nests by establishing a no-disturbance buffer around the nest. Monitoring of the nest by a qualified biologist during construction activities shall be required if the activity has the potential to adversely affect the nest. Based on guidance for determining a project's potential for affecting Swainson's hawks (Swainson's Hawk Technical Advisory Committee 2000), projects in urban areas have a low risk of adversely affecting nests greater than 600 feet from project activities. Therefore, 600 feet is anticipated to be the adequate buffer size for protecting nesting Swainson's hawks from disturbances associated with the project. However, the qualified biologist shall consult with CDFW to confirm the adequacy of the no-disturbance buffer and/or whether the buffer may be reduced based on the biologist's professional judgment.*
- *For species other than Swainson's hawk, if an active nest is found in or within 500 feet of the Project alignment during construction, a "no construction" buffer zone will be established around the active nest (usually a minimum radius of 50 feet for passerine birds and 500 feet for raptors) to minimize the potential for disturbance of the nesting activity. The qualified biologist will determine and flag the appropriate buffer size required, based on the species, specific situation, tolerances of the species, and the nest location. Project activities will resume in the buffer area when the qualified biologist has determined that the nest(s) is (are) no longer active or the biologist has determined that with implementation of an appropriate buffer, work activities would not disturb the birds nesting behavior.*

Substantial Adverse Effect on Any Riparian Habitat or Other Sensitive Natural Community

Based on preliminary Project design, there would be no direct impacts to state or federally protected aquatic resources (including wetlands) within the Project alignment. As currently designed, there would be no placement of new poles or any other associated ground disturbance within state or federally protected aquatic resources, and poles to be removed within state or federally protected aquatic resources would be cut at ground level and left in place. For these reasons, there would be no direct effects to state or federally protected aquatic resources. However, work activities adjacent to state or federally

protected wetlands could cause indirect temporary impacts to habitat through sediment runoff into these features.

Implementation of Mitigation Measure 3.4-1 through 3.4-4 would avoid direct impacts to state and federally protected aquatic resources and sediment runoff into these features, reducing impact to state and federally protected aquatic resources to a **less-than-significant** level.

Mitigation Measure 3.4-1: Conduct Biological Resources Environmental Awareness Training (described above)

Mitigation Measure 3.4-2: Install Temporary Fencing to Protect Environmentally Sensitive Habitat Areas (described above)

Mitigation Measure 3.4-3: Conduct Weekly Monitoring Visits (described above)

Mitigation Measure 3.4-4: Restore Temporarily Disturbed Areas (described above)

1.3.3 Cultural Resources

Damage or Destruction of a Previously Undiscovered Unique Archaeological Resources

The records search revealed one historic era archaeological site within the Project alignment. The Project would not affect the physical aspects of this site because no poles or foundations are proposed within its boundary. Nonetheless, components of the Project that require earth-moving and excavation may result in the discovery of previously unrecorded archaeological deposits.

Implementation of Mitigation Measure 3.5-1 would reduce potential impacts to previously undiscovered resources by requiring that steps be taken in the event that resources are encountered during Project construction. With implementation of Mitigation Measure 3.5-1, this impact would be reduced to a **less-than-significant** level.

Mitigation Measure 3.5-1: Unanticipated Discovery of Cultural Resources

In the event that a historic-period archaeological resource (such as concentrated deposits of bottles or bricks with makers marks, amethyst glass, ceramic or metal pipes, or other historic refuse) or a prehistoric archaeological resource (such as lithic scatters, midden soils), is uncovered during grading or other construction activities, all ground-disturbing activity within 100 feet of the discovery shall be halted until a qualified archaeologist can assess the significance of the find. SMUD will be notified of the potential find and a qualified archeologist shall be retained to investigate its significance. If the find is suspected to be Native American in origin, Mitigation

Measure 3.18-1b shall be implemented. Any previously undiscovered resources found during construction will be recorded on appropriate California Department of Parks and Recreation 523 forms and evaluated for significance under all applicable regulatory criteria. If the archaeologist determines that the find does not meet the CRHR standards of significance for cultural resources, construction may proceed. If the find is determined to be significant by the qualified archaeologist (i.e., because the find is determined to constitute either an historical resource or a unique archaeological resource), the archaeologist shall work with SMUD to follow accepted professional standards such as further testing for evaluation or data recovery, as necessary. The results of the identification, evaluation, and/or data recovery program for any unanticipated discoveries shall be presented in a professional-quality report that details all methods and findings, evaluates the nature and significance of the resources, analyzes and interprets the results.

1.3.4 Geology and Soils

Directly or Indirectly Destroy a Unique Paleontological Resource

Project-related earthmoving activities would occur primarily in the Pleistocene-age Riverbank Formation. Because numerous vertebrate fossils have been recovered from the Riverbank Formation in northern and central California, including localities that are close to the Project alignment, this formation is considered to be paleontologically sensitive. Therefore, earthmoving activities in the Riverbank Formation could result in accidental damage to or destruction of previously unknown unique paleontological resources.

Implementation of Mitigation Measure 3.7-1 would minimize impacts on unique paleontological resources or site or unique geologic feature by ensuring that excavations are completed in a manner that preserves potential paleontological resources. With implementation of this mitigation measure, the potential for implementation of on-site improvements to directly or indirectly destroy a unique paleontological resource would be reduced to a ***less-than-significant*** level.

Mitigation Measure 3.7-1: Paleontological Monitoring for Deep Excavations

Before the start of any excavation activities, SMUD shall retain a qualified scientist (e.g., geologist, biologist, paleontologist) to train all construction personnel involved with earth-moving activities, including the site superintendent, regarding the possibility of encountering fossils, the appearance and types of fossils likely to be seen during construction, and proper notification procedures to take if fossils are encountered. Training on paleontological resources shall also be provided to all other construction workers but may use a video recording of the initial training and/or written materials rather than in-person training. If any paleontological resources (fossils) are discovered during grading or construction activities along the Project alignment, work shall be halted immediately within 50 feet of the

discovery, and the County Planning Division shall be immediately notified. SMUD shall retain a qualified paleontologist to evaluate the resource and prepare a recovery plan in accordance with Society of Vertebrate Paleontology guidelines. The recovery plan may include but is not limited to a field survey, construction monitoring, sampling and data recovery procedures, museum storage coordination for any specimen recovered, and a report of findings. Recommendations in the recovery plan that are determined by the County to be necessary and feasible shall be implemented by SMUD before construction activities resume in the area where the paleontological resources were discovered.

1.3.5 Hazards and Hazardous Materials

Create a Significant Hazard to the Public or Environment Related to a Known Hazardous Materials Site

A majority of Phase I of the Project is located adjacent to or within the boundaries of the former McClellan Air Force Base (AFB), which has undergone remediation activities and portions of which are subject to deed restrictions, including soil management procedures. Hazardous waste, hazardous substances, and/or petroleum hydrocarbons are known to have been disposed of in various locations throughout the former McClellan AFB by the Air Force. Contaminated soils disturbed during construction activities may expose construction workers and the general public to known hazardous materials associated with previous land uses on McClellan AFB.

Implementation of Mitigation Measure 3.9-1 would reduce impacts associated with exposure of construction workers and the public to a hazardous materials site to a less-than-significant level because procedures outlined in the McClellan Park Soils Management Manual for Transfer Parcels would be followed and an encroachment permit from McClellan Park would be obtained, if necessary. These procedures require construction activities to be consistent with proper soil handling procedures for excavation, digging or other disruptions that occur within the boundaries of the McClellan Business Park transfer parcels.

Mitigation Measure 3.9-1: Obtain an Encroachment Permit from McClellan Business Park

Prior to Project construction within or adjacent to the McClellan Business Park (Phase 1), SMUD shall, as necessary, obtain an encroachment permit from McClellan Park. The procedures for obtaining the encroachment permit will be consistent with the requirements set forth in the Soils Management Manual for Transfer Parcels.

1.3.6 Traffic and Transportation

Conflicts with Circulation During Construction

The Project alignment is located within SMUD's existing right-of-way. Project construction would involve temporary staging of materials on flatbed trucks within the roadway and shoulder. During site preparation, auguring, and placement of poles, up to an entire lane may be used for staging. While roadway conditions would be restored to their pre-Project conditions, roadway, bicycle, transit access, and pedestrian throughfare may be temporarily affected during construction. Thus, there may be conflicts with circulation during construction.

Implementation of Mitigation Measure 3.17-1 would minimize impacts associated with the conflicts to the circulation system by requiring traffic controls, such as signage, detours, and flaggers and temporary lane, bicycle lane, pedestrian route, and transit stop closures that would preserve accessibility, connectivity, and emergency access during construction activities. Therefore, this impact would be reduced to a **less-than-significant** level.

Mitigation Measure 3.17-1: Traffic Control Plan

Prior to Project construction within or adjacent to public roadways, SMUD's shall develop a traffic control plan for the Project and submit the plan to the County of Sacramento's Right of Way Management Section and the City's Department of Transportation for approval. The plan shall identify temporary vehicular lanes, bicycle lanes, pedestrian routes, and transit stop closures and provide information regarding how access and connectivity and emergency access will be maintained during construction activities. The plan shall include details regarding traffic controls that would be employed, including signage, detours, and flaggers. The traffic control plan shall be implemented by SMUD during construction to allow for the safe passage of vehicles, pedestrians, and cyclists along the Project alignment.

Project operation would not alter any existing roads, including areas provided for emergency access. Project construction would involve temporary lane closures, which have the potential to impact access for emergency vehicles.

Implementation of Mitigation Measure 3.17-1 would reduce impacts related to inadequate emergency access during construction by requiring implementation of a plan to maintain access for emergency vehicles during construction. Therefore, impacts related to emergency access would be reduced to a **less-than-significant** level.

Mitigation Measure 3.17-1: Traffic Control Plan (described above)**1.3.7 Tribal Cultural Resources**

No known archaeological resources that could be considered Tribal cultural resources, were identified within the Project alignment or in the Project vicinity. Based on the survey results and disturbed nature of the Project alignment and surrounding area, there is a low probability for Tribal cultural resources to occur on the site. Additionally, following letters sent to tribes on November 24, 2023, no Tribes requested Project consultation pursuant to PRC 21080.3.1. However, it is still possible that unanticipated Tribal cultural resources could be uncovered during ground disturbing Project activities.

Implementation of Mitigation Measures 3.18-1a and 3.18-1b would reduce potential impact to unanticipated tribal cultural resources discovered during Project construction activities by requiring minimization and avoidance measures and Tribal cultural awareness and respect training. Upon implementation of these mitigation measures, impacts would be reduced to a **less-than-significant** level.

Mitigation Measure 3.18-1a: Implement Worker Cultural Resources Awareness and Respect Training Program

SMUD shall provide a cultural resources awareness and respect training program to all construction personnel active along the Project alignment prior to the start of Project implementation and to any new workers who start on the Project after starting. The program includes relevant information regarding Tribal cultural resources, including applicable laws and regulations, the consequences of violating said laws and regulations, protocols for resource avoidance, and protocols for discoveries. The program also underscores the requirement for confidentiality and culturally-appropriate treatment of any find of significance to Native Americans and protocols, consistent to the extent feasible, with Native American Tribal values.

Mitigation Measure 3.18-1b: Halt Ground Disturbance Upon Discovery of Subsurface Tribal Cultural Resources

If any suspected Tribal cultural resources or unique archaeological resources are discovered during ground disturbing construction activities, all work shall cease within 100 feet of the find, or a distance agreed upon by the Tribal monitor, archaeological monitor, SMUD, and the construction foreman based on the location and nature of the find and type of work occurring. The Tribal monitor shall determine if the find is a Tribal cultural resource. The Tribal monitor will make recommendations for further evaluation and culturally appropriate treatment of discovered Tribal cultural resources as necessary in consultation with the archaeological monitor.

Unless another type of treatment is recommended, resources will be preserved in place by redesigning the Project unless redesign is determined by SMUD, with evidence, to be technologically, regulatorily, or economically infeasible. Redesign could include modifying the route of the alignment; and route modification would remain within the boundary of the Project study area. If redesign is demonstrated to be infeasible, culturally appropriate treatment would be developed in consultation with the participating Tribes. Culturally appropriate treatment may include, but is not limited to, processing materials for reburial, minimizing handling of cultural objects, leaving objects in place within the landscape, returning objects to a location within the Project area where they will not be subject to future impacts from the Project. Because curation of Tribal cultural resources is not considered by the participating Tribes to be appropriate or respectful, participating Tribes request that materials not be permanently curated, unless approved by the participating Tribes.

Work at the discovery location cannot resume until all necessary investigation, evaluation, and treatment of the discovery under the requirements of the CEQA, including AB 52, have been satisfied. Implementation of this mitigation measure would also satisfy State and local regulations regarding the treatment of Tribal cultural resources as well as Section 7050.5 of the Health and Safety Code and PRC 5097 regarding the treatment of human remains.

1.4 CEQA Determination

SMUD has determined that although the Project could have a significant effect on the environment, a significant effect would not occur with implementation of the aforementioned mitigation measures because the proposed mitigation measures would reduce the effects of any impacts to below the established thresholds of significance. Therefore, SMUD published the proposed MND and supporting IS on May 13, 2024, and SMUD's Board of Directors will consider adoption of the MND at a Board meeting on August 15, 2024.

2 COMMENTS AND RESPONSES

2.1 Introduction

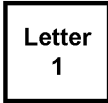
The Draft IS/MND for the Project was circulated for a 30-day public review period (May 13, 2024 to June 12, 2024). During the public comment period, SMUD received 1 comment letter from the Central Valley Regional Water Quality Control Board (see Table 2-1).

Table 2-1 List of Commenters

Letter Number	Name
1	Peter G. Minkel Central Valley Regional Water Quality Control Board June 11, 2024

2.2 Responses to Comments

The comment letter identified above and SMUD's responses to comments are provided on the following pages.



Central Valley Regional Water Quality Control Board

11 June 2024

Jerry Park
SMUD
6201 S Street, Mail Stop B209
Sacramento, CA 95817
jerry.park@smud.org

COMMENTS TO REQUEST FOR REVIEW FOR THE MITIGATED NEGATIVE DECLARATION, ELVERTA/MCCLELLAN 69 KV FEEDER TIE PROJECT, SCH#2024050558, SACRAMENTO COUNTY

Pursuant to the State Clearinghouse's 13 May 2024 request, the Central Valley Regional Water Quality Control Board (Central Valley Water Board) has reviewed the *Request for Review for the Mitigated Negative Declaration* for the Elverta/McClellan 69 kV Feeder Tie Project, located in Sacramento County.

1-1

Our agency is delegated with the responsibility of protecting the quality of surface and groundwaters of the state; therefore our comments will address concerns surrounding those issues.

I. Regulatory Setting

Basin Plan

The Central Valley Water Board is required to formulate and adopt Basin Plans for all areas within the Central Valley region under Section 13240 of the Porter-Cologne Water Quality Control Act. Each Basin Plan must contain water quality objectives to ensure the reasonable protection of beneficial uses, as well as a program of implementation for achieving water quality objectives with the Basin Plans. Federal regulations require each state to adopt water quality standards to protect the public health or welfare, enhance the quality of water and serve the purposes of the Clean Water Act. In California, the beneficial uses, water quality objectives, and the Antidegradation Policy are the State's water quality standards. Water quality standards are also contained in the National Toxics Rule, 40 CFR Section 131.36, and the California Toxics Rule, 40 CFR Section 131.38.

1-2

The Basin Plan is subject to modification as necessary, considering applicable laws, policies, technologies, water quality conditions and priorities. The original Basin Plans were adopted in 1975, and have been updated and revised periodically as required, using Basin Plan amendments. Once the Central Valley Water Board has adopted a Basin Plan amendment in noticed public hearings, it must be approved by

MARK BRADFORD, CHAIR | PATRICK PULUPA, ESQ., EXECUTIVE OFFICER

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the State Water Resources Control Board (State Water Board), Office of Administrative Law (OAL) and in some cases, the United States Environmental Protection Agency (USEPA). Basin Plan amendments only become effective after they have been approved by the OAL and in some cases, the USEPA. Every three (3) years, a review of the Basin Plan is completed that assesses the appropriateness of existing standards and evaluates and prioritizes Basin Planning issues. For more information on the *Water Quality Control Plan for the Sacramento and San Joaquin River Basins*, please visit our website:
http://www.waterboards.ca.gov/centralvalley/water_issues/basin_plans/

1-2
cont**Antidegradation Considerations**

All wastewater discharges must comply with the Antidegradation Policy (State Water Board Resolution 68-16) and the Antidegradation Implementation Policy contained in the Basin Plan. The Antidegradation Implementation Policy is available on page 74 at:
https://www.waterboards.ca.gov/centralvalley/water_issues/basin_plans/sacsjr_2018_05.pdf

In part it states:

Any discharge of waste to high quality waters must apply best practicable treatment or control not only to prevent a condition of pollution or nuisance from occurring, but also to maintain the highest water quality possible consistent with the maximum benefit to the people of the State.

1-3

This information must be presented as an analysis of the impacts and potential impacts of the discharge on water quality, as measured by background concentrations and applicable water quality objectives.

The antidegradation analysis is a mandatory element in the National Pollutant Discharge Elimination System and land discharge Waste Discharge Requirements (WDRs) permitting processes. The environmental review document should evaluate potential impacts to both surface and groundwater quality.

II. Permitting Requirements**Construction Storm Water General Permit**

Dischargers whose project disturb one or more acres of soil or where projects disturb less than one acre but are part of a larger common plan of development that in total disturbs one or more acres, are required to obtain coverage under the General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities (Construction General Permit), Construction General Permit Order No. 2009-0009-DWQ. Construction activity subject to this permit includes clearing, grading, grubbing, disturbances to the ground, such as stockpiling, or excavation, but does not include regular maintenance activities performed to restore the original line, grade, or capacity of the facility. The Construction General Permit requires the development and implementation of a Storm Water Pollution Prevention Plan (SWPPP). For more information on the Construction General Permit, visit the State Water Resources Control Board website at:

1-4

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http://www.waterboards.ca.gov/water_issues/programs/stormwater/constpermits.shtml

1-4
cont.**Clean Water Act Section 404 Permit**

If the project will involve the discharge of dredged or fill material in navigable waters or wetlands, a permit pursuant to Section 404 of the Clean Water Act may be needed from the United States Army Corps of Engineers (USACE). If a Section 404 permit is required by the USACE, the Central Valley Water Board will review the permit application to ensure that discharge will not violate water quality standards. If the project requires surface water drainage realignment, the applicant is advised to contact the Department of Fish and Game for information on Streambed Alteration Permit requirements. If you have any questions regarding the Clean Water Act Section 404 permits, please contact the Regulatory Division of the Sacramento District of USACE at (916) 557-5250.

Clean Water Act Section 401 Permit – Water Quality Certification

If an USACE permit (e.g., Non-Reporting Nationwide Permit, Nationwide Permit, Letter of Permission, Individual Permit, Regional General Permit, Programmatic General Permit), or any other federal permit (e.g., Section 10 of the Rivers and Harbors Act or Section 9 from the United States Coast Guard), is required for this project due to the disturbance of waters of the United States (such as streams and wetlands), then a Water Quality Certification must be obtained from the Central Valley Water Board prior to initiation of project activities. There are no waivers for 401 Water Quality Certifications. For more information on the Water Quality Certification, visit the Central Valley Water Board website at:

https://www.waterboards.ca.gov/centralvalley/water_issues/water_quality/certification/

1-5

Waste Discharge Requirements – Discharges to Waters of the State

If USACE determines that only non-jurisdictional waters of the State (i.e., “non-federal” waters of the State) are present in the proposed project area, the proposed project may require a Waste Discharge Requirement (WDR) permit to be issued by Central Valley Water Board. Under the California Porter-Cologne Water Quality Control Act, discharges to all waters of the State, including all wetlands and other waters of the State including, but not limited to, isolated wetlands, are subject to State regulation. For more information on the Waste Discharges to Surface Water NPDES Program and WDR processes, visit the Central Valley Water Board website at: https://www.waterboards.ca.gov/centralvalley/water_issues/waste_to_surface_water/

Projects involving excavation or fill activities impacting less than 0.2 acre or 400 linear feet of non-jurisdictional waters of the state and projects involving dredging activities impacting less than 50 cubic yards of non-jurisdictional waters of the state may be eligible for coverage under the State Water Resources Control Board Water Quality Order No. 2004-0004-DWQ (General Order 2004-0004). For more information on the General Order 2004-0004, visit the State Water Resources Control Board website at:

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https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2004/wqo/wqo2004-0004.pdf

1-5
cont.

Dewatering Permit

If the proposed project includes construction or groundwater dewatering to be discharged to land, the proponent may apply for coverage under State Water Board General Water Quality Order (Low Threat General Order) 2003-0003 or the Central Valley Water Board's Waiver of Report of Waste Discharge and Waste Discharge Requirements (Low Threat Waiver) R5-2018-0085. Small temporary construction dewatering projects are projects that discharge groundwater to land from excavation activities or dewatering of underground utility vaults. Dischargers seeking coverage under the General Order or Waiver must file a Notice of Intent with the Central Valley Water Board prior to beginning discharge.

1-6

For more information regarding the Low Threat General Order and the application process, visit the Central Valley Water Board website at:

http://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2003/wqo/wqo2003-0003.pdf

For more information regarding the Low Threat Waiver and the application process, visit the Central Valley Water Board website at:

https://www.waterboards.ca.gov/centralvalley/board_decisions/adopted_orders/waivers/r5-2018-0085.pdf

Limited Threat General NPDES Permit

If the proposed project includes construction dewatering and it is necessary to discharge the groundwater to waters of the United States, the proposed project will require coverage under a National Pollutant Discharge Elimination System (NPDES) permit. Dewatering discharges are typically considered a low or limited threat to water quality and may be covered under the General Order for *Limited Threat Discharges to Surface Water* (Limited Threat General Order). A complete Notice of Intent must be submitted to the Central Valley Water Board to obtain coverage under the Limited Threat General Order. For more information regarding the Limited Threat General Order and the application process, visit the Central Valley Water Board website at:

1-7

https://www.waterboards.ca.gov/centralvalley/board_decisions/adopted_orders/general_orders/r5-2016-0076-01.pdf

NPDES Permit

If the proposed project discharges waste that could affect the quality of surface waters of the State, other than into a community sewer system, the proposed project will require coverage under a National Pollutant Discharge Elimination System (NPDES) permit. A complete Report of Waste Discharge must be submitted with the Central Valley Water Board to obtain a NPDES Permit. For more information regarding the NPDES Permit and the application process, visit the Central Valley Water Board website at: <https://www.waterboards.ca.gov/centralvalley/help/permit/>

1-8



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If you have questions regarding these comments, please contact me at (916) 464-4684
or Peter.Minkel2@waterboards.ca.gov.

A handwritten signature in blue ink that reads "Peter G. Minkel".

Peter G. Minkel
Engineering Geologist

cc: State Clearinghouse unit, Governor's Office of Planning and Research,
Sacramento

Central Valley Regional Water Quality Control Board**Letter 1** Peter G. Minkel
June 11, 2024

- 1-1 The comment provides introductory remarks to the comment letter. This comment does not raise environmental issues or concerns regarding the adequacy, accuracy, or completeness of the environmental document. The comment is noted and will be provided to the SMUD Board for review during Project consideration of the Project for approval. No further response is necessary.
- 1-2 The comment provides information related to the Basin Plan. This comment does not raise environmental issues or concerns. No further response can be provided.
- 1-3 The comment provides an overview of the Antidegradation Policy (State Water Board Resolution 68-16). Impacts on surface and groundwater quality are addressed in Section 3.10, "Hydrology and Water Quality," in the Draft IS/MND. No changes to the document are necessary.
- 1-4 The comment identifies general permitting requirements, related to the State Water Resources Control Board's Construction General Plan Order No. 2009-0009-DWQ. As discussed in Section 3.10, "Hydrology and Water Quality," the Project would involve the disturbance of less than one acre (in total). As such, preparation of a formal stormwater pollution and prevention plan (SWPPP) is not required, but SMUD would implement best management practices (BMPs) at each pole location in order to prevent/minimize erosion and control sediment. Should construction activities require additional area and the total area of disturbance may exceed one acre, SMUD would be subject to and comply with National Pollutant Discharge Elimination System (NPDES) Statewide construction general permit for stormwater runoff (Order WQ-2022-0057-DWQ and NPDES No. CAS000002 [Construction General Permit]), which would require preparation and implementation of a formal SWPPP. No changes to the document are required in response to this comment.
- 1-5 The comment provides an overview of permit requirements associated with Clean Water Act Section 404, Clean Water Action Section 401, and waste discharge requirements under the California Porter-Cologne Water Quality Control Act. As currently designed, there would be no placement of new poles or any other associated ground disturbance within state or federally protected aquatic resources, and poles to be removed within state or federally protected aquatic resources would be cut at ground level and left in place. For these reasons, there would be no direct effects to state or federally protected aquatic resources. However, work activities adjacent to state or federally protected wetlands could cause indirect temporary impacts to habitat through sediment runoff into these features. Through implementation of Mitigation Measures 3.4-1 through 3.4-4,

potential impacts to state or federally protected aquatic resources would be reduced to a less-than-significant level because direct impacts to state and federally protected aquatic resources would be avoided and sediment runoff into these features would be eliminated such that there would not be substantial indirect impacts. No changes to the document are necessary.

- 1-6 The comment provides an overview of dewatering permit requirements under the Central Valley Flood Protection Board. Potential impacts related to dewatering are on page 80 of 128, in Section 3.10, “Hydrology and Water Quality” of the Draft IS/MND. As discussed there, the Project would adhere to the City’s water quality and watershed protection measures mandated by the Phase I NPDES Permit and implemented through the Sacramento County Stormwater Quality Improvement Plan. Dewatering plans would be subject to approval from Sacramento County’s Department of Environmental Management and/or SWRCB. Additionally, as discussed on page 76 of 128 in the Draft IS/MND, SMUD would comply with existing stormwater regulations, including the County’s Stormwater Ordinance (Sacramento County Code Chapter 15.12), the City’s Stormwater Management and Control Code, and the NPDES Regional MS4 Permit, which would necessitate the implementation and maintenance of on-site BMPs to control potential erosion and siltation and prevent discharges off-site. As the Project would involve the disturbance of less than one acre (in total), preparation of a formal stormwater pollution and prevention plan (SWPPP) is not required, but SMUD would implement best management practices (BMPs) at each pole location in order to prevent/minimize erosion and control sediment. Should construction activities require additional area and the total area of disturbance may exceed one acre, SMUD would be subject to and comply with NPDES Statewide construction general permit for stormwater runoff (Order WQ-2022-0057-DWQ and NPDES No. CAS000002 [Construction General Permit]), which would require preparation and implementation of a formal SWPPP. Additionally, SMUD would comply with the County of Sacramento Improvement Standards and Floodplain Management Ordinance, which ensures that the Project would not substantially increase the rate or amount of surface runoff in a manner that causes flooding or that exceeds stormwater system capacity. Compliance with these requirements and regulations would reduce potential adverse impacts to water quality, including those associated with dewatering, to a less-than-significant level. No changes to the document are required.
- 1-7 The comment provides a summary of the requirements under the Limited Threat General Order, which is applicable to projects that include construction dewatering and discharge to waters of the United States. As discussed above, under response to comment 1-6, the Project would be implemented consistent with regulations that reduce potential impacts from construction dewatering. No changes to the document are required.

- 1-8 The comment identifies general permitting requirements related to NPDES permit requirements. As discussed above, under response to comment 1-6, the Project would be implemented consistent with regulations that reduce potential impacts to groundwater from construction dewatering. No changes to the document are required.

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3 CHANGES TO DRAFT IS/MND TEXT

No changes to the Draft IS/MND since its publication and public review are necessary.

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4 MITIGATION MONITORING AND REPORTING PROGRAM

4.1 Introduction

This mitigation monitoring and reporting program summarizes identified mitigation measures, implementation schedule, and responsible parties for the SMUD Elverta/McClellan 69 kV Feeder Tie Project (Project). SMUD will use this mitigation monitoring and reporting program to ensure that identified mitigation measures, adopted as conditions of Project approval, are implemented appropriately. This monitoring program meets the requirements of CEQA Guidelines Section 15074(d), which mandates preparation of monitoring provisions for the implementation of mitigation assigned as part of Project approval or adoption.

4.2 Mitigation Implementation and Monitoring

SMUD will be responsible for monitoring the implementation of mitigation measures designed to minimize impacts associated with the Project. While SMUD has ultimate responsibility for ensuring implementation, others may be assigned the responsibility of actually implementing the mitigation. SMUD will retain the primary responsibility for ensuring that the Project meets the requirements of this mitigation plan and other permit conditions imposed by participating regulatory agencies.

SMUD will designate specific personnel who will be responsible for monitoring implementation of the mitigation that will occur during Project construction. The designated personnel will be responsible for submitting documentation and reports to SMUD on a schedule consistent with the mitigation measure and in a manner necessary for demonstrating compliance with mitigation requirements. SMUD will ensure that the designated personnel have authority to require implementation of mitigation requirements and will be capable of terminating Project construction activities found to be inconsistent with mitigation objectives or Project approval conditions.

SMUD and its appointed contractor will also be responsible for ensuring that its construction personnel understand their responsibilities for adhering to the performance requirements of the mitigation plan and other contractual requirements related to the implementation of mitigation as part of Project construction. In addition to the prescribed mitigation measures, Table 4-1 (Mitigation Monitoring and Reporting Program) lists each identified environmental resource being affected, the corresponding monitoring and reporting requirement, and the party responsible for ensuring implementation of the mitigation measure and monitoring effort.

4.3 Mitigation Enforcement

SMUD will be responsible for enforcing mitigation measures. If alternative measures are identified that would be equally effective in mitigating the identified impacts, implementation of these alternative measures will not occur until agreed upon by SMUD.

Table 4-1. Mitigation Monitoring and Reporting Program

Checklist Section	Environmental Criteria	Mitigation Measures	Implementation Duration	Monitoring Duration	Responsibility	
					Implementation	Monitoring
Air Quality	a) Conflict with or obstruct implementation of the applicable air quality plan?	<p>Mitigation Measure 3.3-1: Implement SMAQMD Basic Construction Emission Control Practices</p> <p><i>SMUD shall incorporate the SMAQMD's Basic Construction Emission Control Practices (BMPs) into the construction specifications for the Project. BMPs that shall be incorporated into the construction contract include those listed below.</i></p> <ul style="list-style-type: none"> <i>Water all exposed surfaces two times daily. Exposed surfaces include, but are not limited to soil piles, graded areas, unpaved parking areas, staging areas, and access roads.</i> <i>Cover or maintain at least two feet or free board space on haul trucks transporting soil, sand, or other loose material on the site. Any haul trucks that would be traveling along freeways or major roadways should be covered.</i> <i>Use wet power vacuum street sweepers to remove any visible track out mud or dirt onto adjacent public roads at least once a day. Use of dry power sweeping is prohibited.</i> <i>Limit vehicle speeds on unpaved roads to 15 miles per hour (mph).</i> <i>Complete construction of all roadways, driveways, sidewalks, parking lots as soon as possible. In addition, building pads should be laid as soon as possible after grading unless seeding or soil binders are used.</i> <i>Minimize idling time either by shutting equipment off when not in use or reducing the time of idling to 5 minutes [required by California Code of Regulations, Title 13, sections 2449(d)(3) and 2485]. Provide clear signage that posts this requirement for workers at the entrances to the site.</i> <i>Maintain all construction equipment and ensure it is in proper working condition according to manufacturer's specifications. The equipment must be checked by a certified mechanic and determined to be running in proper condition before it is operated.</i> 	Prior to and during construction	During construction	SMUD Environmental Services and Construction Contractor	SMUD Construction Management and Inspection
Air Quality	b) Result in a cumulatively considerable net increase of any criteria pollutant for which the Project region is non-attainment under an applicable federal or state ambient air quality standard?	Mitigation Measure 3.3-1: Implement SMAQMD Basic Construction Emission Control Practices (described above)	Prior to and during construction	During construction	SMUD Environmental Services and Construction Contractor	SMUD Construction Management and Inspection
Biological Resources	a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?	<p>Mitigation Measure 3.4-1: Conduct Biological Resources Environmental Awareness Training</p> <p><i>Before any work occurs, including equipment staging, all construction personnel shall participate in a biological resources environmental awareness training regarding special-status species and sensitive habitats present in the Project alignment. If new construction personnel are added to the Project, they must receive the mandatory training before starting work. As part of the training, an environmental awareness handout shall be provided to all</i></p>	Prior to any work and during construction	During construction	SMUD Environmental Services and Construction Contractor	SMUD Construction Management and Inspection

Checklist Section	Environmental Criteria	Mitigation Measures	Implementation Duration	Monitoring Duration	Responsibility	
					Implementation	Monitoring
		<i>personnel that describes and illustrates sensitive resources to be avoided during Project construction.</i>				
Biological Resources	a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?	Mitigation Measure 3.4-2: Install Temporary Fencing to Protect Environmentally Sensitive Habitat Areas <i>Temporary fencing shall be placed along the boundary of the work areas to avoid and protect environmentally sensitive areas (waters of the U.S. and State, special-status species habitat) during construction activities. Fencing must be installed prior to the initiation of any vegetation removal, equipment staging, construction, or other Project activity. Fencing will consist of temporary construction barrier fencing or silt fencing and be of sufficient height to prevent construction personnel and equipment from entering any environmentally sensitive areas. The fencing will be checked regularly and maintained until all construction is complete.</i>	Prior to and during construction	During construction	SMUD Environmental Services and Construction Contractor	SMUD Construction Management and Inspection
Biological Resources	a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?	Mitigation Measure 3.4-3: Conduct Weekly Biological Monitoring Visits <i>A qualified biologist shall make periodic monitoring visits to construction areas occurring in or adjacent to environmentally sensitive habitat areas. The construction contract shall specify that the construction contractor shall maintain the fencing protecting sensitive biological resources. Additionally, SMUD shall utilize a qualified biologist on-call to assist the construction crew in complying with all Project implementation restrictions and guidelines on a monthly basis or as needed.</i>	During construction	During construction	SMUD Environmental Services and Construction Contractor	SMUD Construction Management and Inspection
Biological Resources	a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?	Mitigation Measure 3.4-4: Restore Temporarily Disturbed Areas <i>All temporarily disturbed areas shall be returned to pre-Project conditions upon completion of construction. Soil stabilization may include, but is not limited to, seeding with a native grass seed mix and/or planting native plants. These areas will be properly protected from washout and erosion using appropriate erosion control devices including coir netting, hydroseeding, and revegetation. The existing grades in temporary impact areas will be recontoured to pre-Project conditions.</i>	Upon construction completion	Post construction	SMUD Environmental Services and Construction Contractor	SMUD Construction Management and Inspection
Biological Resources	a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?	Mitigation Measure 3.4-5: Restrict Ground-disturbing Activities to the Dry Season (Between April 15 and October 15) <i>All ground-disturbing activities within 250 feet of suitable habitat for vernal pool branchiopods shall be restricted to the dry season (between approximately April 15 and October 15) to avoid the period when special-status species (vernal pool fairy shrimp, vernal pool tadpole shrimp, and western spadefoot) could be breeding.</i>	During dry season (approximately April 15 to October 15)	During dry season (approximately April 15 to October 15)	SMUD Environmental Services and Construction Contractor	SMUD Construction Management and Inspection
Biological Resources	a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?	Mitigation Measure 3.4-6: Conduct a Pre-Construction Survey for Western Spadefoot <i>A qualified biologist will conduct a survey no less than 7 days prior to the initiation of any ground disturbing activities within or adjacent to suitable habitat for western spadefoot. This survey will comprise walking transects while conducting visual encounter surveys within areas that will be subject to staging, vegetation clearing, grubbing, grading, cut and fill, or other ground</i>	7 days prior to ground disturbing activities	During survey	SMUD Environmental Services, Construction Contractor, a qualified biologist	SMUD Construction Management and Inspection

Checklist Section	Environmental Criteria	Mitigation Measures	Implementation Duration	Monitoring Duration	Responsibility	
					Implementation	Monitoring
	Wildlife or the U.S. Fish and Wildlife Service?	<p><i>disturbing activities. The survey will include wetlands and adjacent grassland. All potential habitat features, such as crevices and burrows western spadefoot often use, within the area of disturbance will be searched to the maximum extent practicable. If the pre-construction survey shows that there is no evidence of western spadefoot, a letter report shall be submitted to SMUD for their records within 14 days of the survey, and no additional measures are required.</i></p> <p><i>If western spadefoot are present within the work limits (including their egg masses or tadpoles), then CDFW will be notified and additional avoidance and minimization measures will be implemented. Any special-status species observed will be allowed to voluntarily move outside of the work area on its own volition.</i></p>				
Biological Resources	a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?	<p>Mitigation Measure 3.4-7: Conduct a Pre-Construction Survey for Western Pond Turtle</p> <p><i>A qualified biologist shall survey the work site no more than 48 hours before the onset of activities for signs of western pond turtles and/or western pond turtle nesting activity (i.e. recently excavated nests, nest plugs) or nest depredation (partially to fully excavated nest chambers, nest plugs, scattered egg shell remains, egg shell fragments). Pre-construction surveys to detect western pond turtles in aquatic habitats should focus on suitable aerial and aquatic basking habitat such as logs, branches, rootwads, and rip-rap, as well as the shoreline and adjacent warm, shallow waters where pond turtles may be present below the water surface beneath algal mats or other surface vegetation.</i></p> <p><i>Pre-construction surveys to detect western pond turtle nesting activity should be concentrated within 402 m (1,319 ft) of suitable aquatic habitat and should focus on areas along south- or west-facing slopes with bare hard-packed clay or silt soils or a sparse vegetation of short grasses or forbs. If western pond turtles or their nest sites are found, the biologist shall contact CDFW to determine whether relocation and/or exclusion buffers and nest enclosures are appropriate. If CDFW approves of moving the animal, the biologist shall be allowed sufficient time to move the western pond turtle(s) from the work site before work activities begin.</i></p>	No more than 48 hours before the onset of activities	During survey	SMUD Environmental Services, Construction Contractor, a qualified biologist	SMUD Construction Management and Inspection
Biological Resources	a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?	<p>Mitigation Measure 3.4-2: Avoid or Minimize Effects on Nesting Swainson's Hawk, White-Tailed Kite, and Other Nesting Birds</p> <p><i>The following measures shall be implemented to avoid or minimize loss of active Swainson's hawk, white-tailed kite, and other nesting birds:</i></p> <ul style="list-style-type: none"> <i>If construction (including vegetation removal) would occur during the nesting season (between February 1 and August 31), a qualified biologist shall conduct pre-construction nesting bird surveys to determine whether birds are nesting in the work area or within 0.25 mile of the Project alignment for Swainson's hawk and 500 feet for all other nesting birds.</i> <i>The pre-construction nesting bird surveys will identify on-site bird species and any nest-building behavior. If no nesting Swainson's hawks are found on or within 0.25 mile of the Project alignment or if no nesting birds are</i> 	Prior to and during construction	Prior to and during construction	SMUD Environmental Services and Construction Contractor	SMUD Construction Management and Inspection

Checklist Section	Environmental Criteria	Mitigation Measures	Implementation Duration	Monitoring Duration	Responsibility	
					Implementation	Monitoring
		<p><i>found on or within 500 feet of the Project alignment during the pre-construction clearance surveys, construction activities may proceed as scheduled.</i></p> <ul style="list-style-type: none"> <i>If pre-nesting behavior is observed but an active nest of common nesting bird has not yet been established (e.g., courtship displays but no eggs in a constructed nest), a nesting bird deterrence and removal program will be implemented. Such deterrence methods include removal of the previous year's nesting materials and removal of partially completed nests in progress. After a nest is situated and identified with eggs or young, it is considered to be "active," and the nest cannot be removed until the young have fledged.</i> <i>If active Swainson's hawk nests are found within the nest survey area, the construction contractor shall avoid impacts on such nests by establishing a no-disturbance buffer around the nest. Monitoring of the nest by a qualified biologist during construction activities shall be required if the activity has the potential to adversely affect the nest. Based on guidance for determining a project's potential for affecting Swainson's hawks (Swainson's Hawk Technical Advisory Committee 2000), projects in urban areas have a low risk of adversely affecting nests greater than 600 feet from project activities. Therefore, 600 feet is anticipated to be the adequate buffer size for protecting nesting Swainson's hawks from disturbances associated with the project. However, the qualified biologist shall consult with CDFW to confirm the adequacy of the no-disturbance buffer and/or whether the buffer may be reduced based on the biologist's professional judgment.</i> <i>For species other than Swainson's hawk, if an active white-tailed kite nest or nest of a common bird species is found on or within 500 feet of the project site during construction, a "no-construction" buffer zone will be established around the active nest (usually a minimum radius of 50 feet for passerine birds and 500 feet for raptors) to minimize the potential for disturbance of the nesting activity. The project biologist/biological monitor will determine and flag the appropriate buffer size required, based on the species, specific activities being conducted, tolerances of the species, and the nest location. Project activities will resume in the buffer area when the project biologist/biological monitor has determined that the nest(s) is (are) no longer active or the biologist/biological monitor has determined that with implementation of an appropriate buffer, work activities would not disturb the bird's nesting behavior.</i> 				
Cultural Resources	b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5?	<p>Mitigation Measure 3.5-1: Unanticipated Discovery of Cultural Resources</p> <p><i>In the event that a historic-period archaeological resource (such as concentrated deposits of bottles or bricks with makers marks, amethyst glass, ceramic or metal pipes, or other historic refuse) or a prehistoric archaeological resource (such as lithic scatters, midden soils), is uncovered during grading or other construction activities, all ground-disturbing activity within 100 feet of the discovery shall be halted until a qualified archaeologist can assess the significance of the find. SMUD will be notified of the potential find and a qualified archeologist shall be retained to investigate its significance. If the find is suspected to be Native American in origin,</i></p>	During construction	During construction	Construction Contractor	SMUD Construction Management and Inspection

Checklist Section	Environmental Criteria	Mitigation Measures	Implementation Duration	Monitoring Duration	Responsibility	
					Implementation	Monitoring
		<p><i>Mitigation Measure 3.18-1b shall be implemented. Any previously undiscovered resources found during construction will be recorded on appropriate California Department of Parks and Recreation 523 forms and evaluated for significance under all applicable regulatory criteria. If the archaeologist determines that the find does not meet the CRHR standards of significance for cultural resources, construction may proceed. If the find is determined to be significant by the qualified archaeologist (i.e., because the find is determined to constitute either an historical resource or a unique archaeological resource), the archaeologist shall work with SMUD to follow accepted professional standards such as further testing for evaluation or data recovery, as necessary. The results of the identification, evaluation, and/or data recovery program for any unanticipated discoveries shall be presented in a professional-quality report that details all methods and findings, evaluates the nature and significance of the resources, analyzes and interprets the results.</i></p>				
Geology and Soils	f) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<p>Mitigation Measure 3.7-1: Paleontological Monitoring for Deep Excavations <i>Before the start of any excavation activities, SMUD shall retain a qualified scientist (e.g., geologist, biologist, paleontologist) to train all construction personnel involved with earth-moving activities, including the site superintendent, regarding the possibility of encountering fossils, the appearance and types of fossils likely to be seen during construction, and proper notification procedures to take if fossils are encountered. Training on paleontological resources shall also be provided to all other construction workers but may use a video recording of the initial training and/or written materials rather than in-person training.</i></p> <p><i>If any paleontological resources (fossils) are discovered during grading or construction activities along the Project alignment, work shall be halted immediately within 50 feet of the discovery, and the County Planning Division shall be immediately notified. SMUD shall retain a qualified paleontologist to evaluate the resource and prepare a recovery plan in accordance with Society of Vertebrate Paleontology guidelines. The recovery plan may include but is not limited to a field survey, construction monitoring, sampling and data recovery procedures, museum storage coordination for any specimen recovered, and a report of findings. Recommendations in the recovery plan that are determined by the County to be necessary and feasible shall be implemented by SMUD before construction activities resume in the area where the paleontological resources were discovered.</i></p>	Prior to excavation activities and during grading or construction activities	Prior to excavation activities and during grading or construction activities	Construction Contractor	SMUD Construction Management and Inspection
Hazards and Hazardous Materials	d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code §65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<p>Mitigation Measure 3.9-1: Obtain an Encroachment Permit from McClellan Business Park <i>Prior to Project construction within or adjacent to the McClellan Business Park (Phase 1), SMUD shall, as necessary, obtain an encroachment permit from McClellan Park. The procedures for obtaining the encroachment permit will be consistent with the requirements set forth in the Soils Management Manual for Transfer Parcels.</i></p>	Prior to construction	Prior to construction	SMUD Environmental Services	SMUD Environmental Services

Checklist Section	Environmental Criteria	Mitigation Measures	Implementation Duration	Monitoring Duration	Responsibility	
					Implementation	Monitoring
Traffic and Transportation	a) Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities?	Mitigation Measure 3.17-1: Traffic Control Plan <i>Prior to Project construction within or adjacent to public roadways, SMUD's shall develop a traffic control plan for the Project and submit the plan to the County of Sacramento's Right of Way Management Section and the City's Department of Transportation for approval. The plan shall identify temporary vehicular lanes, bicycle lanes, pedestrian routes, and transit stop closures and provide information regarding how access and connectivity and emergency access will be maintained during construction activities. The plan shall include details regarding traffic controls that would be employed, including signage, detours, and flaggers. The traffic control plan shall be implemented by SMUD during construction to allow for the safe passage of vehicles, pedestrians, and cyclists along the Project alignment.</i>	Prior to construction	Prior to construction	SMUD Environmental Services	SMUD Environmental Services
Traffic and Transportation	d) Result in inadequate emergency access?	Mitigation Measure 3.17-1: Traffic Control Plan (described above)	Prior to construction	Prior to construction	SMUD Environmental Services	SMUD Environmental Services
Tribal Cultural Resources	b) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe?	Mitigation Measure 3.18-1a: Implement Worker Cultural Resources Awareness and Respect Training Program <i>SMUD shall provide a cultural resources awareness and respect training program to all construction personnel active along the Project alignment prior to the start of Project implementation and to any new workers who start on the Project after starting. The program includes relevant information regarding Tribal cultural resources, including applicable laws and regulations, the consequences of violating said laws and regulations, protocols for resource avoidance, and protocols for discoveries. The program also underscores the requirement for confidentiality and culturally-appropriate treatment of any find of significance to Native Americans and protocols, consistent to the extent feasible, with Native American Tribal values.</i>	Prior to Project implementation or Project work (for new workers)	Prior to and during Project implementation	Construction Contractor	SMUD Construction Management and Inspection
Tribal Cultural Resources	b) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe?	Mitigation Measure 3.18-1b: Halt Ground Disturbance Upon Discovery of Subsurface Tribal Cultural Resources <i>If any suspected Tribal cultural resources or unique archaeological resources are discovered during ground disturbing construction activities, all work shall cease within 100 feet of the find, or a distance agreed upon by the Tribal monitor, archaeological monitor, SMUD, and the construction foreman based on the location and nature of the find and type of work occurring. The Tribal monitor shall determine if the find is a Tribal cultural resource. The Tribal monitor will make recommendations for further evaluation and culturally appropriate treatment of discovered Tribal cultural resources as necessary in consultation with the archaeological monitor.</i> <i>Unless another type of treatment is recommended, resources will be preserved in place by redesigning the Project unless redesign is determined by SMUD, with evidence, to be technologically, regulatorily, or economically infeasible. Redesign could include modifying the route of the alignment; and route modification would remain within the boundary of the Project study area. If redesign is demonstrated to be infeasible, culturally appropriate treatment would be developed in consultation with the participating Tribes.</i>	During construction	During construction	Construction Contractor, SMUD, and Tribal representative (if suspected TCRs are found)	SMUD Construction Management and Inspection

Checklist Section	Environmental Criteria	Mitigation Measures	Implementation Duration	Monitoring Duration	Responsibility	
					Implementation	Monitoring
		<p><i>Culturally appropriate treatment may include, but is not limited to, processing materials for reburial, minimizing handling of cultural objects, leaving objects in place within the landscape, returning objects to a location within the Project area where they will not be subject to future impacts from the Project. Because curation of Tribal cultural resources is not considered by the participating Tribes to be appropriate or respectful, participating Tribes request that materials not be permanently curated, unless approved by the participating Tribes.</i></p> <p><i>Work at the discovery location cannot resume until all necessary investigation, evaluation, and treatment of the discovery under the requirements of the CEQA, including AB 52, have been satisfied. Implementation of this mitigation measure would also satisfy State and local regulations regarding the treatment of Tribal cultural resources as well as Section 7050.5 of the Health and Safety Code and PRC 5097 regarding the treatment of human remains.</i></p>				

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6 REFERENCES

None.

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APPENDIX A

Draft Initial Study and Proposed Mitigated Negative Declaration

Sacramento Municipal Utility District Elverta/McClellan 69 kV Feeder Tie Project

Draft Initial Study and Proposed Mitigated Negative Declaration • May 2024



Powering forward. Together.



Sacramento Municipal Utility District Elverta/McClellan 69 kV Feeder Tie Project

Draft Initial Study and Proposed Mitigated Negative Declaration • May 2024

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ACRONYMS AND OTHER ABBREVIATIONS

AB	Assembly Bill
AFV	alternative fuel vehicles
agl	above ground level
AQAP	air quality attainment plan
B.P.	before present
BERD	Built Environment Resource Directory
BMP	best management practices
CAAP	Climate Action & Adaptation Plan
CAAQS	California ambient air quality standards
CAFE	Corporate Average Fuel Economy
Cal EPA	California Environmental Protection Agency's
CalEEMod	California Emissions Estimator Model
Caltrans	California Department of Transportation
CAP	Climate Action Plan
CARB	California Air Resources Board
CBC	California Building Code
CCR	California Code of Regulations
CDFW	California Department of Fish and Wildlife
CEC	California Energy Commission
CEQA Guide	Guide to Air Quality Assessment in Sacramento County
CEQA	California Environmental Quality Act
CESA	California Endangered Species Act
CNDDB	California Natural Diversity Database
CNPS	California Native Plant Society
CO	carbon monoxide
CO ₂	carbon dioxide
COPD	chronic obstructive pulmonary disease
DAC	disadvantaged communities
dB	decibels
DOC	California Department of Conservation
DOT	U.S. Department of Transportation
Draft IS/MND	Draft Initial Study/Mitigated Negative Declaration
DSH	diameter at standard height
DTSC	California Department of Toxic Substances Control
EJ	environmental justice
EPA	U.S. Environmental Protection Agency
EPAct	Energy Policy Act
ERCS	Environmental Resources and Customer Service
ESA	Endangered Species Act
FAA	Federal Aviation Regulations
FMMP	Farmland Mapping and Monitoring Program
GGRF	Greenhouse Gas Reduction Fund
GHG	greenhouse gas
GSA	Groundwater Sustainability Agencies
GSP	Groundwater Sustainability Plan
H ₂ S	hydrogen sulfide
I-80	Interstate 80

IEPR	Integrated Energy Policy Report
IPaC	Information, Planning, and Consultation System
kV	kilovolt
lb/day	pounds per day
L _{eq}	Equivalent Continuous Sound Level
L _{max}	Maximum Sound Level
MMRP	mitigation monitoring and reporting program
mpg	miles per gallon
mph	miles per hour
MRZ	Mineral Resource Zones
MT	metric tons
MTCO _{2e}	metric tons of carbon dioxide equivalent
NAAQS	national ambient air quality standards
NCIC	North Central Information Center
NHD	National Hydrography Dataset
NHTSA	National Highway Traffic Safety Administration
NO ₂	nitrogen dioxide
NOI	Notice of Intent
NO _x	oxides of nitrogen
NPDES	National Pollutant Discharge Elimination System
NRCS	Natural Resources Conservation Service
NWI	National Wetlands Inventory
O ₃	ozone
OPR	Governor's Office of Planning and Research's
Pb	lead
PM ₁₀	particulate matter which is categorized into particulate matter less than 10 microns in diameter
PM _{2.5}	particulate matter less than 2.5 microns in diameter
PPV	Peak Particle Velocity
PRC	Public Resources Code
Project	Elverta/McClellan 69 kV Feeder Tie Project
ROG	reactive organic gases
SB	Senate Bill
SGA	Sacramento Groundwater Authority
SMAQMD	Sacramento Metropolitan Air Quality Management District
SMUD	Sacramento Municipal Utility District
SNAHC	Sacramento Native American Health Center Inc.
SO ₂	sulfur dioxide
SPL	sound pressure levels
SVAB	Sacramento Valley Air Basin
SWPPP	Stormwater Pollution Prevention Plan
SWRCB	State Water Resources Control Board
TAC	toxic air contaminants
tpy	tons/year
UAIC	United Auburn Indian Community of the Auburn Rancheria
USACE	U.S. Army Corps of Engineers
USFWS	U.S. Fish and Wildlife Service
UST	underground storage tanks
VdB	vibration decibels
VMT	vehicle miles traveled

1.0 INTRODUCTION

1.1 Project Overview

The Sacramento Municipal Utility District (SMUD) proposes to replace approximately 5.5 miles of an existing above-ground 12-kilovolt (kV) cable with 69 kV and 12 kV cables. The Project would involve replacing or relocating approximately 140 power line poles, and newly installing approximately 10 power line poles where they did not previously exist. The Project alignment would occur in three phases: Phase 1, Phase 2A, and Phase 2B. The southern end of Phase 1 would be located near the intersection of Winters Street and Rene Avenue. It would run north along Winters, turn west onto Dean Street, north along Patrol Road, then west along Ascot Avenue to 20th Street. Phase 2A would be located along 20th Street, from Ascot to Q Street. Phase 2B would be located along Elkhorn Boulevard from 20th Street to 34th Street. All of the new poles would be located within Phase 1 of the Project alignment.

1.2 Purpose of Document

This Draft Initial Study/Mitigated Negative Declaration (Draft IS/MND) has been prepared by SMUD to evaluate potential environmental effects resulting from the Elverta/McClellan 69 kV Feeder Tie Project (Project). Chapter 2, "Project Description," presents the detailed Project information.

This document has been prepared in accordance with the California Environmental Quality Act (CEQA) (Public Resources Code [PRC] Section 21000 et seq.) and the CEQA Guidelines (California Code of Regulations [CCR] Section 15000 et seq.). Under CEQA, an IS can be prepared by a lead agency to determine if a project may have a significant effect on the environment (CEQA Guidelines Section 15063[a]), and thus to determine the appropriate environmental document. For this Project, the lead agency has prepared the following analysis that identifies potential physical environmental impacts and mitigation measures that would reduce impacts to a less-than-significant level. SMUD is the lead agency responsible for complying with the provisions of CEQA.

In accordance with the provisions of CEQA, SMUD is distributing a Notice of Intent (NOI) to adopt an MND to solicit comments on the analysis and mitigation measures in the Draft IS/MND. The NOI will be distributed to property owners within 1,000 feet of the Project alignment, as well as to the State Clearinghouse/ Governor's Office of Planning and Research and each responsible and trustee agency. The Draft IS/MND will be available for review and comment for a period of 30 days from May 7, 2024 to June 6, 2024.

Written comments must be received by close of business on June 6, 2024. Written comments should be addressed to:

SMUD–Environmental Services
P.O. Box 15830 MS B209
Sacramento, CA 95852-1830
Attn: Jerry Park

E-mail comments may be addressed to jerry.park@smud.org. If you have questions regarding the NOI or Draft IS/MND, please call Jerry Park at (916) 732-7406.

Digital copies of the NOI and Draft IS/MND are available on the internet at: <https://www.smud.org/en/Corporate/About-us/Company-Information/Reports-and-Statements/CEQA-Reports>. Hardcopies of the NOI and Draft IS/MND are available for public review at the following locations:

Sacramento Municipal Utility District
Customer Service Center
6301 S St.
Sacramento, CA 95817

Sacramento Municipal Utility District
East Campus Operations Center
4401 Bradshaw Road
Sacramento, CA 95827

1.3 Public Review Process

This Draft IS/MND is being circulated for a 30-day public comment period and is available at the locations identified above. The NOI is being distributed to all property owners within 1,000 feet of the Project alignment, as well as to the State Clearinghouse/ Governor’s Office of Planning and Research and responsible and trustee agencies. The NOI identifies where the document is available for public review and invites interested parties to provide written comments for incorporation into a final IS/MND.

Following the 30-day public review period, a final IS/MND will be prepared, presenting written responses to comments received on significant environmental issues. Before SMUD’s Board of Directors makes a decision on the Project, the final IS/MND will be provided to all parties commenting on the Draft IS/MND.

1.4 SMUD Board Approval Process

The SMUD Board of Directors must adopt the IS/MND and approve the mitigation monitoring and reporting program (MMRP) before it can approve the Project. The Project and relevant environmental documentation will be formally presented at a SMUD Environmental Resources and Customer Service (ERCS) Committee meeting for information and discussion. The SMUD Board of Directors will then consider adopting the final IS/MND and MMRP at its next regular meeting. Meetings of the SMUD Board of Directors are generally held on the third Thursday of each month.

1.5 Document Organization

This Draft IS/MND is organized as follows:

Chapter 1: Introduction. This chapter provides an introduction to the environmental review process and describes the purpose and organization of this document.

Chapter 2: Project Description. This chapter provides a detailed description of the Project.

Chapter 3: Environmental Checklist. This chapter presents an analysis of a range of environmental issues identified in the CEQA Environmental Checklist and determines if the Project would result in no impact, a less-than-significant impact, or a less-than-significant impact with mitigation incorporated. Where needed to reduce impacts to a less-than-significant level, mitigation measures are presented.

Chapter 4: Environmental Justice Analysis. Although not required by CEQA, SMUD has elected to prepare an evaluation of potential environmental justice issues related to the Project.

Chapter 5: List of Preparers. This chapter lists the organizations and people that prepared the document.

Chapter 6: References. This chapter lists the references used in preparation of this Draft IS/MND.

1.6 Environmental Factors Potentially Affected

Impacts on the environmental factors below are evaluated using the checklist included in Chapter 3. SMUD determined that the environmental factors checked below would be less than significant with implementation of mitigation measures. It was determined that the unchecked factors would have a less-than-significant impact or no impact.

- | | | |
|------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------------------|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture and Forestry Resources | <input checked="" type="checkbox"/> Air Quality |
| <input checked="" type="checkbox"/> Biological Resources | <input checked="" type="checkbox"/> Cultural Resources | <input checked="" type="checkbox"/> Geology / Soils |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Hydrology / Water Quality |
| <input type="checkbox"/> Land Use / Planning | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Population / Housing | <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation |
| <input checked="" type="checkbox"/> Transportation / Traffic | <input checked="" type="checkbox"/> Tribal Cultural Resources | <input type="checkbox"/> Utilities / Service Systems |
| <input checked="" type="checkbox"/> Mandatory Findings of Significance | | |

1.7 Determination

On the basis of this initial evaluation:

- I find that the proposed project could not have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project COULD have a significant effect on the environment, there WILL NOT be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature

Date

Jerry Park

Environmental Management Specialist

Printed Name

Title

Sacramento Municipal Utility District

Agency

2.0 PROJECT DESCRIPTION

SMUD is proposing to replace approximately 5.5 miles of an existing above-ground 12 kV cable with 69 kV and 12 kV cables. The Project would involve replacing or relocating approximately 140 power line poles, and newly installing approximately 10 power line poles where they did not previously exist. The Project alignment is located in northern Sacramento County and the northwestern portion of the City of Sacramento. It would occur in three phases: Phase 1, Phase 2A, and Phase 2B. All of the new poles would be located within Phase 1.

2.1 Project Location

The Project alignment covers approximately 5.5 linear miles and is located along the western edge of the McClellan Air Business Park and northward within the community of Rio Linda in Sacramento County, within the boundaries of the City of Sacramento and Sacramento County (Figure 2-1). The Project alignment extends generally from a connection point approximately 140 feet south of the intersection of Winters Street and Rene Avenue, to the intersection of Q Street and 20th Street to the north, and the intersection of Elkhorn Boulevard and 34th Street to the east (see Figure 2-1). Between those points, the Project is generally located along the western and northern sides of the Sacramento McClellan Airport and through the community of Rio Linda.

As noted above, the Project alignment is generally divided into three phases: Phase 1, Phase 2A, and Phase 2B. The southern end of Phase 1 would be located near the intersection of Winters Street and Rene Avenue. It would run north along Winters, turn west onto Dean Street, north along Patrol Road, then west along Ascot Avenue to 20th Street. Continuing northward, Phase 2A would be located along 20th Street, from Ascot to Q Street. Extending east along Elkhorn Boulevard, Phase 2B would extend from 20th Street to 34th Street.

The Project alignment can be accessed from the south via Interstate 80 (I-80). The southern extent of the Project alignment begins approximately 0.3 miles north of the I-80 Winters Street on- and off-ramps; the eastern extent of the Project alignment is approximately 3.0 miles west of the I-80 Elkhorn Boulevard on- and off-ramps. Existing land uses surrounding the site consist of industrial areas located adjacent to the eastern and southern extent of the Project alignment, residential uses surrounding the northwest portion of the Project alignment, and the Sacramento McClellan Airport is located to the east and south of the Project alignment.

2.2 Project Objectives

The objectives of the Project are to:

- contribute to SMUD's goals for ensuring electrical service reliability,
- provide safe and reliable electrical service to existing and proposed development in the northern Sacramento County and City areas,
- provide greater operational flexibility between circuits,
- maximize the use of available SMUD property and resources, and
- minimize impacts to nearby sensitive receptors and sensitive natural communities.

2.3 Project Description

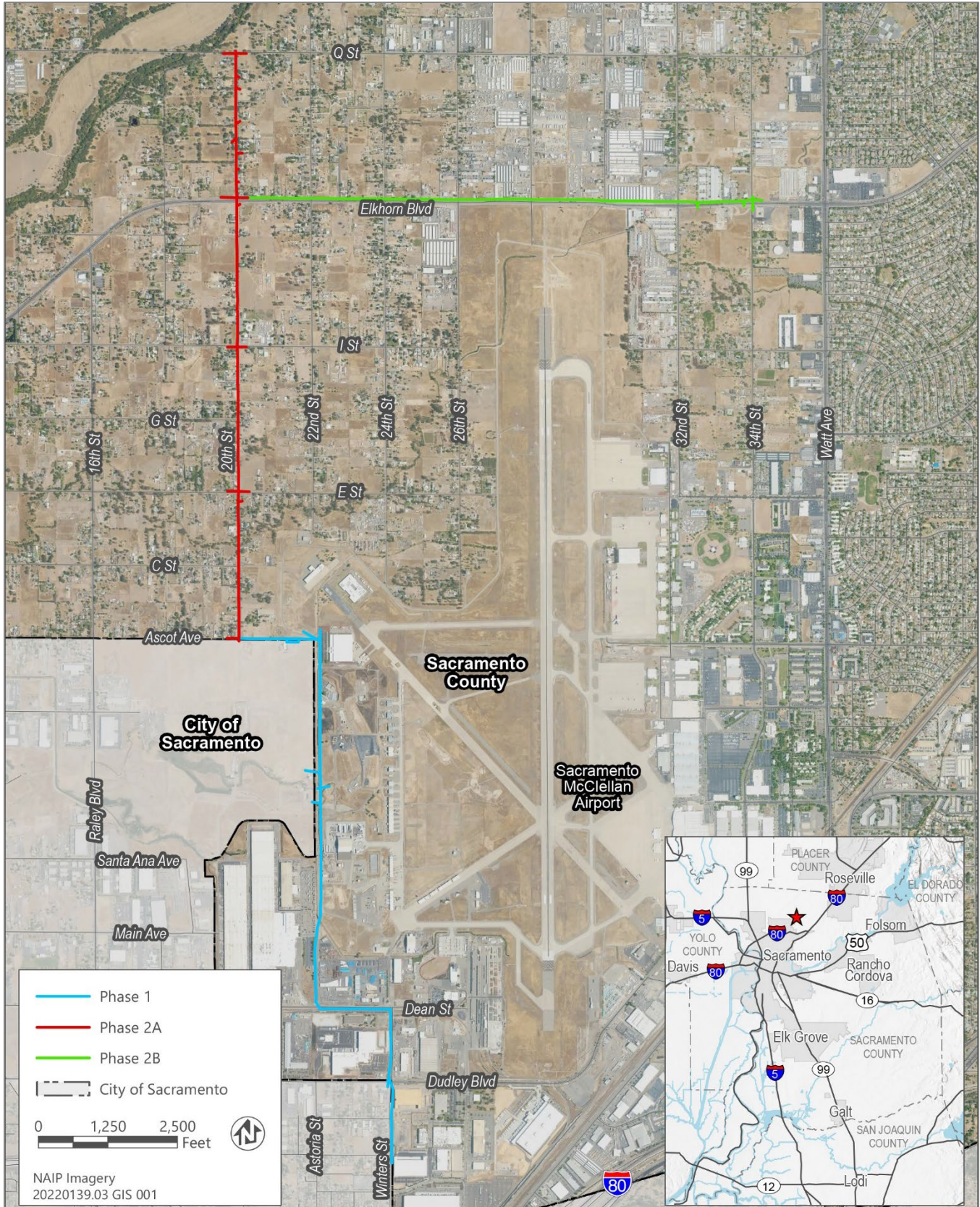
To provide more consistent and necessary capacity for existing and proposed development in the area, the Project involves upgrading SMUD's sub-transmission capacity along the western edge of McClellan Air Business Park, northward within the community of Rio Linda. Currently, the area is served by an existing 12 kV distribution line that extends from Dry Creek, southward along 20th Street to Ascot Avenue, before turning eastward and then southward again along the western boundary of McClellan Airport. As currently proposed, the majority of the existing 12 kV line would be replaced with a 69 kV double-circuit sub-transmission line and 12 kV underbuild (i.e., a higher and a lower voltage line sharing the same poles). This would involve the replacement or relocation of approximately 140 poles and the installation of 10 new poles along the Project alignment. Generally, poles would be located approximately 150-200 feet apart, or greater where space and terrain allows.

The Project involves three phases of development, hereafter described as Phase 1, Phase 2A, and Phase 2B. Phase 1 would occur south of Ascot Avenue and would be located adjacent to industrial land uses and the McClellan Sacramento Airport, whereas Phases 2A and 2B would occur within a more residential area within the community of Rio Linda. The Project alignment would primarily be located within the County of Sacramento, with the exception of four poles located along Ascot Road (two poles associated with Phase 1 and two poles associated with Phase 2A) that would be located within the City of Sacramento. The heights of the poles would vary by phase and where necessary to account for existing uses and specific siting considerations but would not exceed 70 feet in height above ground level (agl). The highest pole would be 90-foot tall, set in a 20-foot-deep hole (i.e., rising to 70 feet agl). Wood poles would generally be 70-foot tall, set in 9-foot-deep holes (i.e., would rise up to 61 feet agl).

Phase 1 of the Project covers the southern portion of the alignment and would start near the intersection of Winters Street and Rene Avenue. It would run north along Winters, turn west onto Dean Street, north along Patrol Road, then west along Ascot Avenue to 20th Street. Phase 1 of the Project would involve replacement or relocation of 65 poles, as well as installation of 7 new poles at the southern extent of Phase 1 where poles do not currently exist. New poles would also be installed on Patrol Road, where the alignment crosses from the west side to the east side. A total of 9 poles would be removed from Phase 1 of the alignment. Approximately 10 of the new poles would be metal and the remaining 62 poles would be wooden.

Phase 2A would be located along 20th Street, from Ascot to Q Street. Phase 2A would include a 12 kV underbuild and double-circuit 69 kV up to the intersection of 20th Street and Elkhorn. From that point to the north toward Q Street, the 69 kV would be single-circuit. Phase 2A of the Project would involve the replacement or relocation of 30 pole lines, with 6 poles being removed from the alignment. Approximately 18 of the installed poles would be steel and 22 poles would be wooden. As part of Phase 2A, the majority of wooden poles would be 70-foot tall, while the metal poles would be 76 feet tall. A 90-foot metal pole would be installed that would be stabilized using four ½-inch downward guy wires (raising up to 70 feet).

Phase 2B would be located along Elkhorn Boulevard from 20th Street to 34th Street and would consist of a 69 kV single-circuit and 12 kV underbuild from Elkhorn and 20th to Elkhorn and 34th. Phase 2B of the Project would involve a net total of 50 poles replaced in place, of which two would be steel and 48 would be wooden.



Source: Adapted by Ascent in 2023.

Figure 2-1

Project Location

2.3.1 Construction

Construction activities would take approximately 12 months and are expected to begin as early as Summer 2024. Generally, each steel pole would be installed over a period of two days, and wooden poles would be installed within one day. While construction activities may not be continuous along the Project alignment, they are expected to be completed by summer 2025. Construction would be conducted in a manner consistent with the relevant City and County construction related noise ordinances (i.e., City of Sacramento noise restrictions prohibit construction between 10:00 p.m. and 7:00 a.m.; and Sacramento County noise restrictions occur from 8:00 p.m. to 6:00 a.m. on weekdays and 8:00 p.m. to 7:00 a.m. on weekends.)

As discussed above, the Project would involve the removal and replacement of both steel and wooden poles. Foundations for steel poles would be established in up to 20-foot-deep holes, excavated using a 3- to 5-foot diameter auger; foundations for wooden poles would be established in 9-foot-deep holes, excavated using a 3-foot diameter auger. As noted above, poles would be located approximately 150-200 feet apart, or greater where space and terrain allows. Staging of poles would generally occur within existing paved and disturbed areas, as well as on truck beds within a single roadway lane. Once augers holes have been established, a boom truck would be used to install individual poles, guided by one or more construction crews of approximately 5 people. With the pole in place, concrete would be used to secure the steel poles in place and rocks would be used to secure wooden poles. New power lines would be connected by construction workers using aerial bucket trucks. Poles would be self-supporting, apart from the 90-foot pole located at the corner of 20th and Ascot, which would be supported with six 0.5-inch down guy wires. Down guy wire would also be installed for other poles in the alignment, where they do not currently exist.

As noted above, construction activities would generally be conducted in roadway rights-of-way and would include the temporary closure of roads and sidewalks. Following construction activities each day, any open pits would be covered, and equipment removed to allow reopening of the lanes. In residential areas, there may be slight delays but no prolonged inaccessibility for residents.

2.4 Potential Permits and Approvals Required

Elements of the Project could be subject to permitting and/or approval authority of other agencies. As the lead agency pursuant to CEQA, SMUD is responsible for considering the adequacy of the IS/MND and determining whether the Project should be approved. The following agencies could require permits or approvals as part of Project implementation:

State

- **State Water Resources Control Board (SWRCB)/Central Valley Regional Water Quality Control Board** issues Construction Storm Water Discharge Permits for projects that disturb more than one acre of land. The permit would also require preparation and implementation of a stormwater pollution prevention plan that would specify storm water best management practices. In addition, SWRCB would review and approve dewatering plans, as appropriate.

- **California Department of Transportation** issues permits for movement of oversized or excessive loads on State Highways.

Local

- **Sacramento Metropolitan Air Quality Management District (SMAQMD)** issues the Authority to Construct/Permit to Operate pursuant to SMAQMD Regulation 2 (Rule 201 et seq.).
- **Sacramento County** issues encroachment permits and approves traffic control plans and dewatering plans.
- **City of Sacramento** issues encroachment permits and approves traffic control plans.

McClellan Business Park is a privately managed business park within Sacramento County. For any work within property owned/managed by McClellan Business Park, LLC, SMUD would apply for encroachment/dig permits for soil disturbing activities within the boundaries of the McClellan Business Park.

3.0 ENVIRONMENTAL IMPACT EVALUATION

3.0 Evaluation of Environmental Impacts

1. A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A “No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an EIR is required.
4. “Negative Declaration: Less Than Significant With Mitigation Incorporated” applies where the incorporation of mitigation measures has reduced an effect from “Potentially Significant Impact” to a “Less-Than-Significant Impact.” The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less-than-significant level (mitigation measures from “Earlier Analyses,” as described in (5) below, may be cross-referenced).
5. Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
 - a) Earlier Analysis Used. Identify and state where they are available for review.
 - b) Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c) Mitigation Measures. For effects that are “Less than Significant with Mitigation Measures Incorporated,” describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.

6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
7. Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
8. This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
9. The explanation of each issue should identify:
 - a) the significance criteria or threshold, if any, used to evaluate each question; and
 - b) the mitigation measure identified, if any, to reduce the impact to less than significance.

3.1 Aesthetics

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
I. Aesthetics				
Except as provided in Public Resources Code section 21099 (where aesthetic impacts shall not be considered significant for qualifying residential, mixed-use residential, and employment centers), would the Project:				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage points.) If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3.1.1 Environmental Setting

Aesthetic resources are generally defined as both the natural and built features of the landscape that contribute to the public’s experience and appreciation of the environment. Aesthetic impacts may occur depending on the extent to which a project’s presence would negatively alter the perceived visual character and quality of the environment.

Character of Project Alignment

The Project alignment, defined in three phases (Phase 1, Phase 2A, and Phase 2B), covers approximately 5.5 miles and is located along the western edge of the McClellan Air Business Park and northward within the community of Rio Linda in Sacramento County, just outside of the northeast boundaries of the City of Sacramento. Land uses surrounding Phase 1 consist of a mix of residential and industrial development at the southern extent, the Sacramento McClellan Airport to the east, and vernal pool preserves along the northwestern extent. Areas surrounding Phase 2A are characterized as rural residential uses, including an existing preschool, located just north of the intersection of 20th Street and I Street. The western extent of Phase 2B is surrounded by rural residential uses that give way to industrial uses toward the east, and the Sacramento McClellan Airport is located south of the eastern end of the Phase 2B alignment.

View Within and From the Project Alignment

The alignment runs parallel to existing roadways and is visible to the public, as depicted in Figure 2-1. Thus, views of the Project alignment consist of the existing powerline, and the surrounding land uses, described above. The existing power line is supported by approximately 45-foot-tall wooden T-poles that support a three-phase (i.e., three wire) 12 kV system, which is horizontally

mounted in a parallel fashion. A static line is mounted above other utility lines on the vertical portion of the pole, approximately 20 feet agl. Other hardware typical of power lines are present along the existing pole alignment, including transformers and supportive guy wires. While the existing power line tends to blend in with industrial uses, it dominates roadway views within rural residential areas. Mature trees, including oaks, redwoods, and eucalyptus dot the alignment, and reach a similar height as the existing power line. Landscaping along the Project alignment is primarily associated with residential uses and includes a variety of other smaller and medium-height trees, shrubs, lawn areas, and open space. Fences are present along the majority of the alignment that borders residential uses. Private views are available from residences, businesses, and United States Military facilities located along the alignment (i.e., McClellan Airport).

Because the topography within the Project alignment is generally flat, views from the Project alignment to the surrounding area are generally limited to land uses immediately surrounding the alignment. However, distant views consist of the Sierra Nevada foothills to the east are visible from certain vantage points.

Scenic Resources

A scenic vista is generally defined as a distant public view along or through an opening or corridor that is recognized and valued for its scenic quality, or a natural or cultural resource that is indigenous to the area.

The *Sacramento County General Plan Update FEIR* designates the Sacramento River and its Delta, American River, Cosumnes River, Dry Creek, Morrison Creek, Laguna Creek, Elder Creek, Deer Creek, and Dry Creek South, including associated parkways, and important historic structures listed on the Sacramento Register of Historic and Cultural Resources, California and/or National Registers as scenic resources (Sacramento County 2010:16-2). Of these identified scenic resources, the Project alignment is only visible from Dry Creek, which is located approximately 300 feet from the closest point of the Project alignment at the corner of Q Street and 20th Street. Dry Creek is lined with a thick riparian corridor along the waterway. Public access to Dry Creek is available from a single-track dirt trail and a paved bike path, which travel along the northern bank of the waterway.

There are no designated state scenic highways located adjacent to the Project alignment (Caltrans 2024). The nearest designated scenic roadway is Route 160, approximately 13 miles southwest of the Project area (Caltrans 2024).

3.1.2 Discussion

a) Have a substantial adverse effect on a scenic vista?

Less-than-Significant Impact. A scenic vista is generally defined as a distant public view along or through an opening or corridor that is recognized and valued for its scenic quality, or a natural or cultural resource that is indigenous to the area. Views in the Project vicinity are limited because of the flat terrain and the level of development/landscaping that preclude long-range views. Views along the Project alignment are short- to mid-range and typically reflect the urban character of the surroundings, which are not considered scenic vistas. The Project would involve altering the existing power line alignment, such that replacement poles would reach up to 70 feet tall. While the height of the replaced poles would be greater than the existing poles, and therefore visible from further away, they would not substantially affect the existing character

of the surrounding areas. That is, power lines are typical within rural residential and industrial uses and would not be considered an impediment to views of a scenic vista from these land use types. Therefore, the Project would have a **less-than-significant** impact related to a substantial adverse effect on a scenic vista, and no mitigation is required.

b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?

Less-than-Significant Impact. As discussed above, under Section 3.1.1, “Environmental Setting,” the closest scenic resource to the Project alignment is the Dry Creek Parkway, located approximately 300 feet from the closest point of the Project alignment at the intersection of Q Street and 20th Street within Phase 2A. The existing poles along Q Street are wooden and approximately 45 feet tall. Implementation of the Project would replace these wooden poles with steel poles that would rise approximately 55 feet agl. However, from public access points along Dry Creek, they would remain obscured to a similar degree as under the existing conditions. Furthermore, the presence of a power line, albeit fewer poles than under the existing condition, is already incorporated into the general aesthetic character of the alignment. Thus, it would not be adding a new element to the existing scenery from public access points along Dry Creek. Therefore, scenic resources would not be substantially damaged. This impact would be **less than significant**, and no mitigation is required.

c) In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage points.) If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?

Less-than-Significant Impact. During Project construction, views in the area would be modified as a result of the temporary presence of construction equipment and activities. However, the appearance of construction equipment and activities would be consistent with the developed nature of the Project alignment. Once construction activities are complete, the Project alignment would appear nearly identical to existing conditions, however the existing wooden poles would be replaced with a combination of new wooden and steel poles. Overall, the poles would be taller and equipped with additional lines compared to the existing conditions, but there would be fewer poles that would be placed farther apart from each other. Replacement of aging wood poles with new poles would generally maintain the same visual character as existing conditions.

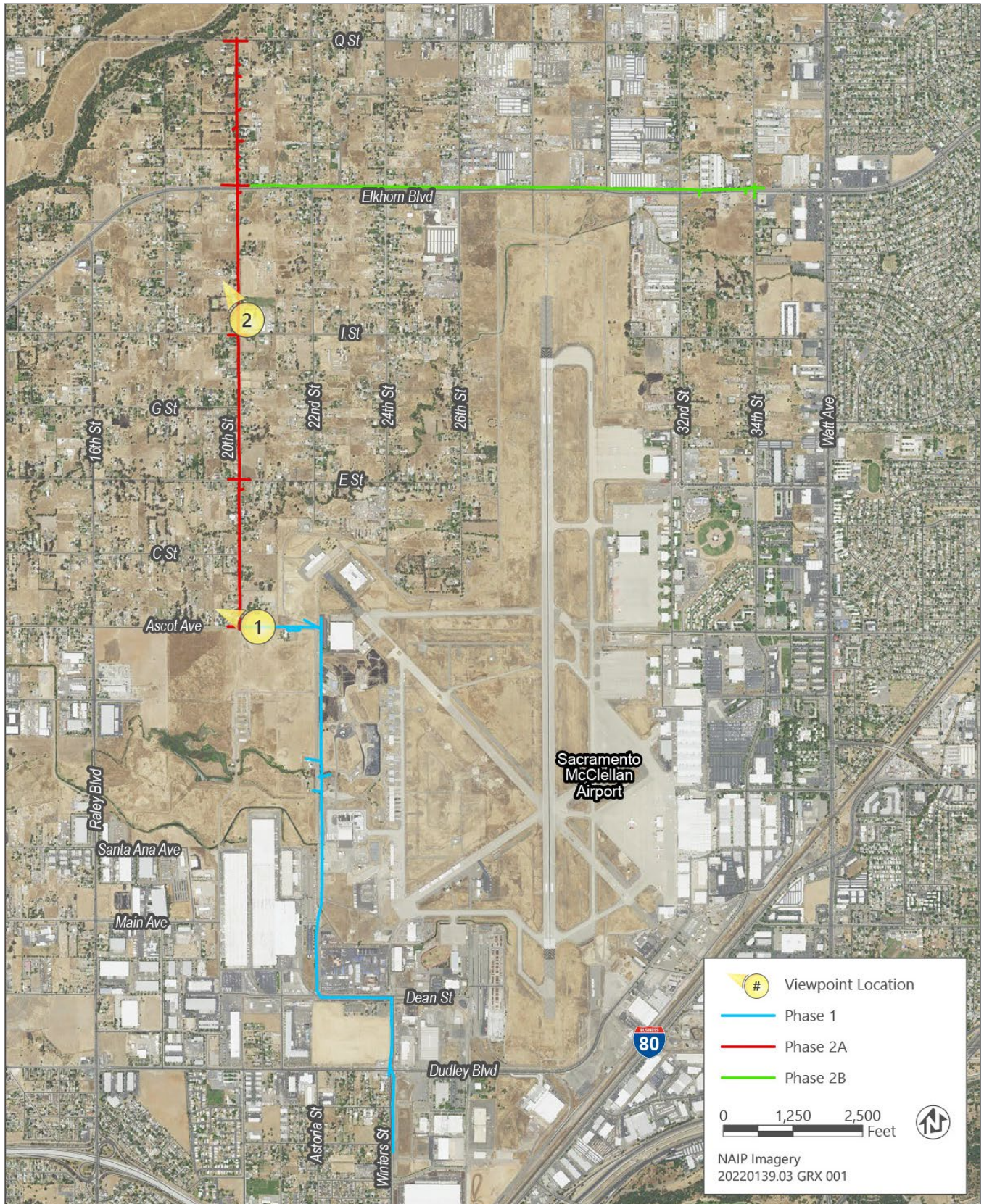
Two viewpoints were selected by SMUD to evaluate the aesthetic impacts of the Project. One viewpoint is from the southwest corner of a single-family home and the second is from a rural portion of 20th Street at the eastern corner of “I” Street. Figure 3.1-1 shows the locations of the viewing angles for the simulated views of the completed Project that are depicted in Figures 3.1-2 and 3.1-3. Figure 3.1-2 shows a visual simulation of the Project looking northwest from Ascot Avenue. Figure 3.1-3 shows a visual simulation of the Project looking northwest from 20th Street.

As depicted in Figure 3.1-2, from the vantage point of Viewpoint 1, the Project would involve replacement of the existing approximately 40-foot-tall wooden pole with a 90-foot steel pole (raising up to 70-foot, with the remaining 20 feet below ground) at the southeast corner of Ascot Avenue and 20th Street. Additionally, Figure 3.1-3 depicts the replacement of an older 45-foot

wooden pole with a new 70-foot wooden pole from Viewpoint 2. Compared to the existing conditions, poles would be taller and placed farther apart. The increased height would accommodate the proposed 69 kV transmission line, which would appear as approximately six new horizontal wires placed at a height greater than the existing 12 kV power lines. Project features would be visible from nearby public vantage points for both Viewpoints. However, the areas the Project alignment are zoned for industrial and residential uses, which is consistent with existing land uses. Power lines are common features within these types of land uses and are generally considered an expected element of the associated visual character. Thus, while the replacement poles would be taller, equipped with additional wires, and may consist of different material (i.e., steel instead of wood), they would not differ substantially from the existing character of development along the Project alignment. Further, the Project would not conflict with existing plans/regulations governing scenic quality provided in the Sacramento County General Plan or City of Sacramento General Plan because land use types would remain the same as under the existing conditions. Therefore, the Project would have a **less-than-significant** impact related to scenic quality, and no mitigation is required.

d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?

Less-than-Significant Impact. Construction activities would occur during daylight hours and would not require nighttime lighting. Construction equipment is unlikely to have reflective surfaces and would not be a substantial source of glare in the area. During Project operation, Project features would be similar to existing features and would not require any lighting during operation or create substantial glare. This would include the proposed metal powerline poles that would be non-reflective and would not include reflective material that would produce substantial glare. Therefore, the Project would result in **less-than-significant** impacts on light and glare, and no mitigation is required.



Source: Adapted by Ascent in 2023.

Figure 3.1-1

Viewpoint Locations

Current View



Simulated View



Source: Benchmark 2024.

Figure 3.1-2

Viewpoint 1 Simulation

Current View



Simulated View



20220139.03 GRX 003

Source: Benchmark 2024.

Figure 3.1-3

Viewpoint 2 Simulation

3.2 Agriculture and Forestry Resources

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
II. Agriculture and Forest Resources.				
<p>In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997, as updated) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state’s inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board.</p> <p>Would the project:</p>				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with existing zoning for agricultural use or a Williamson Act contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Result in the loss of forest land or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Involve other changes in the existing environment, which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

3.2.1 Environmental Setting

The Project area is predominantly non-agricultural and includes heavy and light industrial development along with rural residential. There are no areas along the Project alignment that are zoned as Agricultural by the County of Sacramento (Sacramento County 2024). An area designated as Farmland of Local Importance and zoned Agricultural is located northwest of the Project alignment along Dry Creek. However, this area does not currently serve an agricultural function.

The Project alignment is identified as urban and built-up land and other land by the California Department of Conservation’s (DOC’s) Farmland Mapping and Monitoring Program (FMMP) (DOC 2024a).

According to the Sacramento County Important Farmland map, published by DOC’s Division of Land Resource Protection, the Project alignment is designated as Urban Built-Up Land, which is

defined as land that generally includes residential, industrial, commercial, institutional facilities, cemeteries, airports, golf courses, sanitary landfills, sewage treatments, and water control structures. Remaining portions of the Project alignment is designated as Other Land, which is defined as land that may include low density rural developments; brush, timber, wetland, and riparian areas not suitable for livestock grazing; confined livestock, poultry or aquaculture facilities; strip mines, borrow pits; and water bodies smaller than forty acres (DOC 2023). No portions of the Project alignment or adjacent parcels are held under Williamson Act contracts (DOC 2022).

There are no areas either within or adjacent to the Project alignment that have been designated as forest land or timberland.

3.2.2 Discussion

- a-e) **Would the project convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural uses; conflict with existing zoning for agricultural use, or a Williamson Act contract; conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g)); result in the loss of forest land or conversion of forest land to non-forest use; or involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use?**

No Impact. The Project alignment does not contain any lands designated as Important Farmland (i.e., Prime Farmland, Unique Farmland, or Farmland of Statewide Importance) or zoned as forest land or a timberland area. There are no active agricultural operations within or near the Project alignment, and there are no Williamson Act contracts associated with the Project alignment. No existing agricultural or timber-harvest uses are located on or near the Project alignment. Therefore, the Project would have **no impact** on agriculture or forest land, and no mitigation is required.

3.3 Air Quality

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
III. Air Quality.				
Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied on to make the following determinations.				
Are significance criteria established by the applicable air district available to rely on for significance determinations?				
	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3.3.1 Environmental Setting

The U.S. Environmental Protection Agency (EPA) has established national ambient air quality standards (NAAQS) for six criteria air pollutants, which are known to be harmful to human health and the environment. These pollutants are: carbon monoxide (CO), lead (Pb), nitrogen dioxide (NO₂), ozone (O₃), particulate matter (which is categorized into particulate matter less than 10 microns in diameter [PM₁₀] and particulate matter less than 2.5 microns in diameter [PM_{2.5}]), and sulfur dioxide (SO₂). The State of California has also established the California ambient air quality standards (CAAQS) for these pollutants, as well as sulfates, hydrogen sulfide (H₂S), vinyl chloride, and visibility-reducing particles. The NAAQS and CAAQS were established to protect the public with a margin of safety, from adverse health impacts caused by exposure to air pollution. A brief description of the source and health effects of criteria air pollutants is provided below in Table 3.3-1.

Table 3.3-1 Criteria Air Pollutants

Pollutant	Sources	Effects
Ozone	Ozone is a secondary air pollutant produced in the atmosphere through a complex series of photochemical reactions involving ROG, also sometimes referred to as volatile organic compounds by some regulating agencies) and NO _x . The main sources of ROG and NO _x , often referred to as ozone precursors, are products of combustion processes	Ozone causes eye irritation, airway constriction, and shortness of breath and can aggravate existing respiratory diseases such as asthma, bronchitis, and emphysema.

Pollutant	Sources	Effects
Carbon monoxide	(including motor vehicle engines) and the evaporation of solvents, paints, and fuels. CO is usually formed as the result of the incomplete combustion of fuels. The single largest source of CO is motor vehicle engines; the highest emissions occur during low travel speeds, stop-and-go driving, cold starts, and hard acceleration.	Exposure to high concentrations of CO reduces the oxygen-carrying capacity of the blood and can cause headaches, nausea, dizziness, and fatigue; impair central nervous system function; and induce angina (chest pain) in persons with serious heart disease. Very high levels of CO can be fatal.
Respirable particulate matter (PM ₁₀), Fine particulate matter (PM _{2.5}).	Some sources of particulate matter, such as soot and smoke from wood burning in fireplaces, or fugitive dust from demolition and construction activities, are more local in nature. Other sources such as exhaust from vehicular traffic, or smoke and soot from wildfires, have a more regional effect. Particulate matter can also form in the atmosphere by condensation and/or transformation of SO ₂ and ROG. PM ₁₀ emissions typically occur from construction sites, landfills and agriculture, wildfires and brush/waste burning, industrial sources, wind-blown dust from open lands, while PM _{2.5} emissions occur from the combustion of gasoline, oil, diesel fuel or wood.	For PM _{2.5} , short-term exposures (up to 24-hours duration) have been associated with premature mortality, increased hospital admissions for heart or lung causes, acute and chronic bronchitis, asthma attacks, emergency room visits, respiratory symptoms, and restricted activity days. These adverse health effects have been reported primarily in infants, children, and older adults with preexisting heart or lung diseases. Long-term (months to years) exposure to PM _{2.5} has been linked to premature death, particularly in people who have chronic heart or lung diseases, and reduced lung function growth in children. Short-term exposures to PM ₁₀ have been associated primarily with worsening of respiratory diseases, including asthma and chronic obstructive pulmonary disease (COPD), leading to hospitalization and emergency department visits. The effects of long-term exposure to PM ₁₀ are less clear, although several studies suggest a link between long-term PM ₁₀ exposure and respiratory mortality.
Nitrogen dioxide	NO ₂ is a reddish-brown gas that is a by-product of combustion processes. Automobiles and industrial operations are the main sources of NO ₂ .	Aside from its contribution to ozone formation, NO ₂ can increase the risk of acute and chronic respiratory disease and reduce visibility.
Sulfur dioxide	SO ₂ is a combustion product of sulfur or sulfur-containing fuels such as coal and diesel.	SO ₂ is also a precursor to the formation of particulate matter, atmospheric sulfate, and atmospheric sulfuric acid formation that could precipitate downwind as acid rain.
Lead	Leaded gasoline, lead-based paint, smelters (metal refineries), and the manufacture of lead storage batteries have been the primary sources of lead released into the atmosphere, with lead levels in the air decreasing substantially since leaded gasoline was eliminated in the United States.	Lead has a range of adverse neurotoxic health effects.

Source: EPA 2023a, CARB n.d.

Notes: CO=carbon monoxide; NO₂= nitrogen dioxide; NO_x=nitrogen oxides; ROG=reactive organic gases; SO₂=sulfur dioxide

The Project alignment is in Sacramento County, which is within the Sacramento Valley Air Basin (SVAB). The SVAB encompasses Butte, Colusa, Glenn, Tehama, Shasta, Yolo, Sacramento, Yuba, and Sutter Counties and parts of Placer, El Dorado, and Solano Counties. The SVAB is bounded on the north and west by the Coast Ranges, on the east by the southern portion of the Cascade Range and the northern portion of the Sierra Nevada, and on the south by the San Joaquin Valley Air Basin. Sacramento County is currently designated as nonattainment for both the NAAQS and CAAQS ozone standards, the NAAQS PM_{2.5} standard, and the CAAQS PM₁₀ standard. The region is designated as in attainment or unclassifiable for all other NAAQS and CAAQS (CARB 2022, EPA 2023b).

The Sacramento Metropolitan Air Quality Management District (SMAQMD) is the local agency responsible for air quality planning and development of the air quality plan in the Project area. SMAQMD maintains an updated plan for achieving the 8-hour ozone NAAQS and CAAQS that was updated and approved by the SMAQMD Board and the California Air Resources Board (CARB) in 2018. An updated plan for the 2015 8-hour ozone standard, the 2023 Sacramento Regional Plan for the 2015 8-Hour Ozone Standard, was adopted on October 11, 2023. There are currently no plans available for achieving the NAAQS PM_{2.5} standard or CAAQS PM₁₀ standard. The air quality plan establishes the strategies used to achieve compliance with the NAAQS and CAAQS in all areas within SMAQMD's jurisdiction. SMAQMD develops rules and regulations and emission reduction programs to control emissions of criteria air pollutants, ozone precursors (oxides of nitrogen [NO_x] and reactive organic gases [ROGs]), toxic air contaminants (TACs), and odors within its jurisdiction.

SMAQMD adopted the Guide to Air Quality Assessment in Sacramento County (CEQA Guide) in December 2009 and has made multiple revisions since, with the most recent revisions occurring in October 2020 to operational emissions pertaining to best management practices (BMPs) for particulate matter. The CEQA Guide establishes thresholds of significance for criteria air pollutants that SMAQMD recommends using when evaluating air quality impacts in Sacramento County. CEQA-related air quality thresholds of significance are tied to achieving or maintaining attainment designation with the NAAQS and CAAQS, which are scientifically substantiated, numerical concentrations of criteria air pollutants considered to be protective of human health. As such, for the purposes of this Project, the following thresholds of significance are used to determine if Project-generated emissions would produce a significant localized and/or regional air quality impact such that human health would be adversely affected.

Per Appendix G of the State CEQA Guidelines and SMAQMD recommendations, air quality and its associated health impacts are considered significant if the Project would result in any of the following:

- generate construction-related criteria air pollutant or precursor emissions to exceed the SMAQMD-recommended thresholds of 85 pounds per day (lb/day) for NO_x, 80 lb/day and 14.6 tons/year (tpy) for PM₁₀, and 82 lb/day and 15 tpy for PM_{2.5}. In addition, all SMAQMD-recommended Basic Construction Emission Control Practices (BMPs) shall be implemented to minimize emissions of PM₁₀ and PM_{2.5}; otherwise, the threshold for both PM₁₀ and PM_{2.5} is 0 lb/day;
- generate operational-related long-term operational criteria air pollutant or precursor emissions that exceed the SMAQMD-recommended thresholds of 65 lb/day for ROG and NO_x, 80 lb/day and 14.6 tpy for PM₁₀, and 82 lb/day and 15 tpy for PM_{2.5}. In addition, all SMAQMD-recommended Operational BMPs for Particulate Matter Emissions from

Land Use Development Projects shall be implemented to minimize emissions of PM₁₀ and PM_{2.5}; otherwise, the threshold for both PM₁₀ and PM_{2.5} is 0 lb/day;

- result in short-term construction and long-term operational local mobile-source CO emissions that would violate or contribute substantially to concentrations that exceed the 1-hour CAAQS of 20 ppm or the 8-hour CAAQS of 9 ppm;
- expose any off-site sensitive receptor to a substantial incremental increase in TACs emissions that exceed 10 in 1 million for carcinogenic risk (i.e., the risk of contracting cancer) and/or a noncarcinogenic hazard index of 1.0 or greater; and/or
- result in other emissions, such as those leading to odors, adversely affecting a substantial number of people.

3.3.2 Discussion

a) Conflict with or obstruct implementation of the applicable air quality plan?

Less than Significant with Mitigation Incorporated. The SVAB is currently designated as nonattainment for ozone and PM₁₀. SMAQMD has air quality attainment plans (AQAPs), which present comprehensive strategies to reduce VOC and NO_x emissions from stationary, area, mobile, and indirect sources to achieve attainment status of the NAAQS and CAAQS. The Sacramento Regional 70 ppb 8-Hour Ozone Attainment and Reasonable Further Progress Plan is an air quality attainment plan (AQAP) that is applicable to development in the city as well as Sacramento County. The emission inventories used to develop these plans are based primarily on projected population and employment growth and associated VMT for the SVAB. This growth is estimated for the region, based in part on the planned growth identified in regional and local land use plans such as general plans or community plans. Therefore, projects that would result in population and/or employment growth beyond that projected in regional or local plans could result in increases in VMT above that forecasted in the attainment plans, further resulting in mobile source emissions that could conflict with or obstruct implementation of the air quality plans. Increases in VMT beyond that projected in the County's General Plan, the City's General Plan, the Sacramento Area Council of Governments' regional VMT modeling, and SMAQMD regional air quality plans, generally would be considered to have a significant adverse incremental effect on the SVAB's ability to attain CAAQS and NAAQS for all criteria air pollutants.

It is anticipated that operational activities associated with the Project would include only occasional maintenance and repair. Therefore, the Project would not result in an increase in employment in the area nor would the Project result in additional population/VMT. This would also mean that operational emissions from the Project would be negligible. The Project does not include any land uses or operational emission sources that would result in substantial increases in operational vehicle trips. Thus, long-term operational emissions of criteria air pollutants and precursors would not violate or substantially contribute to an existing or projected air quality violation or expose sensitive receptors to substantial pollutant concentrations such that adverse health impacts would occur.

As discussed previously, SMAQMD developed criteria pollutant thresholds in consideration of achieving attainment for the NAAQS and CAAQS, which represent concentration limits of criteria air pollutants needed to adequately protect human health. Additionally, AQAPs are

developed based on regional population and VMT projections. The Project involves replacement of an existing 12 kV power line with 69 kV and 12 kV cables which, as discussed above, would not result in increased population or VMT due to maintenance activities. Therefore, operation of the project would not substantially contribute to the exceedance of the NAAQS and CAAQs in the County nor result in greater health impacts compared to existing conditions. In addition, because the Project would not induce population growth or VMT, it would therefore not conflict with the goals of the applicable AQAP. Therefore, the operation of the Project would not conflict with the applicable air quality plan for which criteria pollutant emission thresholds of significance were developed to support.

Construction activities would result in temporary generation and emissions of criteria air pollutants and precursors. Construction-related emissions were estimated using the California Emissions Estimator Model (CalEEMod) Version 2022.1.1.21 computer program, in accordance with recommendations by SMAQMD (CAPCOA 2022). Modeling was based on Project-specific information, where available; reasonable assumptions based on typical construction activities; and default values in CalEEMod that are based on the Project's location and land use type.

Construction activities would take approximately 12 months and are expected to begin as early as Summer 2024. It is assumed that, while construction activities would not be continuous, they are expected to be completed by Summer 2025. The model prepared for this analysis represents a condensed construction schedule (i.e., assumes that construction would occur continuously) because the frequency and duration of breaks in construction activity are not known. Therefore, the model results represent a conservative estimation (i.e., tendency to overstate) of the emissions that would occur during construction.

Construction-related activities would result in Project-generated emissions of ROG, NO_x, PM₁₀, and PM_{2.5} from construction activities (e.g., digging holes for pole installation, pouring cement) off-road equipment, material delivery, and worker commute trips. Fugitive dust emissions of PM₁₀ and PM_{2.5} are associated primarily with excavation, and vary as a function of soil silt content, soil moisture, wind speed, acreage of disturbance, and vehicle miles traveled on and off the site. Both heavy duty equipment exhaust and on-road mobile exhaust result in emissions of the ozone precursors ROG and NO_x. Paving results in off-gas emissions of ROG. Construction activities associated with the Project would require the use of a Digger Derrick truck, two large bucket trucks, two heavy duty pick-up trucks, a semi-truck to haul posts from the off-site holding area to the location they are to be placed, a cement truck, and hauling trucks to haul soil off-site. For assumptions and modeling inputs, refer to Appendix A.

Table 3.3-2 summarizes the modeled maximum daily emissions for all pollutants and annual emissions for particulate matter from construction activity without the application of BMPs.

Table 3.3-2 Project-Generated Construction Emissions by Year

Construction Year	ROG (lb/day) Emissions	NO _x (lb/day) Emissions	PM ₁₀ (lb/day) Emissions	PM ₁₀ (tpy) Emissions	PM _{2.5} (lb/day) Emissions	PM _{2.5} (tpy) Emissions
2024	<1	1.03	21	1.2	2	0.1
2025	<1	1	21	0.6	2	0.1
Maximum	<1	1.03	21	1.2	2	0.1
SMAQMD Thresholds of Significance without BMPs¹	None	85	0	0	0	0
Threshold Exceeded?	N/A	No	Yes	Yes	Yes	Yes
SMAQMD Thresholds of Significance with BMPs²	None	85	80	14.6	82	15
Threshold Exceeded?	N/A	No	No	No	No	No

Notes: ROG = reactive organic gas; NO_x = oxides of nitrogen; PM₁₀ = respirable particulate matter; lb/day = pounds per day; SMAQMD = Sacramento Air Quality Management District; tpy = tons per year; BMPs = best management practices

¹ Without implementation of fugitive dust reducing BMPs.

² With implementation of fugitive dust reducing BMPs.

Source: Modeling conducted by Ascent Inc. in 2024.

As shown in Table 3.3-2, Project construction would not generate emissions in excess of the SMAQMD thresholds for NO_x. However, the Project, without the application of BMPs, would generate daily and annual emissions of PM₁₀ and PM_{2.5} in excess of the SMAQMD thresholds during construction activities (i.e., 0 lb/day). Therefore, the impact of construction activities would be **potentially significant**.

Mitigation Measure 3.3-1: Implement SMAQMD Basic Construction Emission Control Practices

SMUD shall incorporate the SMAQMD’s Basic Construction Emission Control Practices (BMPs). into the construction specifications for the Project. BMPs that shall be incorporated into the construction contract include those listed below.

- *Water all exposed surfaces two times daily. Exposed surfaces include, but are not limited to soil piles, graded areas, unpaved parking areas, staging areas, and access roads.*
- *Cover or maintain at least two feet or free board space on haul trucks transporting soil, sand, or other loose material on the site. Any haul trucks that would be traveling along freeways or major roadways should be covered.*

- *Use wet power vacuum street sweepers to remove any visible track out mud or dirt onto adjacent public roads at least once a day. Use of dry power sweeping is prohibited.*
- *Limit vehicle speeds on unpaved roads to 15 miles per hour (mph).*
- *Complete construction of all roadways, driveways, sidewalks, parking lots as soon as possible. In addition, building pads should be laid as soon as possible after grading unless seeding or soil binders are used.*
- *Minimize idling time either by shutting equipment off when not in use or reducing the time of idling to 5 minutes [required by California Code of Regulations, Title 13, sections 2449(d)(3) and 2485]. Provide clear signage that posts this requirement for workers at the entrances to the site.*
- *Maintain all construction equipment and ensure it is in proper working condition according to manufacturer's specifications. The equipment must be checked by a certified mechanic and determined to be running in proper condition before it is operated.*

Mitigation Measure 3.3-1 will require implementation of SMAQMD's Basic Construction Emission Control Practices, which allows for adjustment of the SMAQMD Thresholds of Significance to a non-zero thresholds, as presented in Table 3.3-2. Application of the non-zero threshold would bring unmitigated construction-related criteria pollutant emissions associated with the Project below SMAQMD thresholds. Therefore, short-term construction emissions of criteria air pollutants and precursors would not violate or substantially contribute to an existing or projected air quality violation or expose sensitive receptors to substantial pollutant concentrations such that adverse health impacts would occur. As discussed previously, SMAQMD developed these thresholds in consideration of achieving attainment for the NAAQS and CAAQS, which represent concentration limits of criteria air pollutants needed to adequately protect human health. Therefore, implementation of Mitigation Measure 3.3-1 would reduce the impact of emissions generated during construction activities to a **less-than-significant** level.

b) Result in a cumulatively considerable net increase of any criteria pollutant for which the Project region is non-attainment under an applicable federal or state ambient air quality standard?

Less than Significant with Mitigation Incorporated. Sacramento County is currently in nonattainment for federal and State ozone, State PM₁₀, and federal PM_{2.5}. Ozone impacts are the result of cumulative emissions from numerous sources in the region and transport from outside the region. Ozone is formed by chemical reactions involving NO_x, ROG, and sunlight. Particulate matter also has the potential to cause significant local problems during periods of dry conditions accompanied by high winds, and during periods of heavy earth disturbing activities. Particulate matter (PM₁₀ and PM_{2.5}) may have cumulative local impacts if, for example, several unrelated grading or earth moving activities are underway simultaneously at nearby sites. As noted in Impact "a" above, without the implementation of Mitigation Measure 3.3-1, Project-generated construction emissions would exceed SMAQMD thresholds. Therefore, this impact would be potentially significant.

Mitigation Measure 3.3-1: Implement SMAQMD Basic Construction Emission Control Practices (described above)

Implementation of Mitigation Measure 3.3-2 would reduce Project construction emissions and ensure that Project related emissions of NOX, ROG, PM10, and PM2.5 would not exceed SMAQMD thresholds during construction activities. The Project would implement SMAQMD BMPs to reduce fugitive dust emissions to the extent feasible. Construction emissions would be temporary, would not be generated following the completion of Project construction, and would not exceed SMAQMD thresholds of significance. Operation of the Project would be limited to maintenance activities, similar to the existing requirements for the current power line that runs along the alignment. Because operation of the Project would not result in a substantial increase in vehicle trips along the Project alignment, there would not be a substantial increase in long-term emissions due to Project implementation. Therefore, short-term Project-generated construction emissions and long-term operational emissions would not be cumulatively considerable, and impacts would be **less than significant**.

c) Expose sensitive receptors to substantial pollutant concentrations?

Less-than-Significant Impact. Sensitive receptors are generally considered to include those land uses where exposure to pollutants could result in health-related risks to sensitive individuals, such as children or the elderly. Residential dwellings, schools, hospitals, playgrounds, and similar facilities are of primary concern because of the presence of individuals particularly sensitive to pollutants and the potential for increased and prolonged exposure of individuals to pollutants.

Construction-related activities would result in temporary, intermittent emissions of diesel PM from the exhaust of off-road, heavy-duty diesel equipment. For construction-activity, diesel PM is the primary TAC of concern. The potential cancer risk from inhaling diesel PM outweighs the potential for all other diesel PM—related health impacts (i.e. noncancer chronic risk, short-term acute risk) and health impacts from other TACs (CARB 2003). Diesel PM is highly dispersive and can be estimated to decrease by approximately 70 percent at a distance of 500 feet from the source (Zhu et. al 2002).

The Project is generally located adjacent to industrial and residential land uses. Sensitive receptors are associated with residential land uses, which are located along approximately half of the Project alignment. These receptors include residences along Winters Street, 20th Street, and Elkhorn Boulevard, several churches (True Life Church of God, New Testament Baptist Church, and New Life Church), and two schools (Vineland Preschool and Stillwaters Christian School). At a minimum, construction activities would occur 50 feet away from sensitive receptors. It is estimated that pole spacing would be approximately 150-200 feet apart. Steel poles would take two days to install (compared to the shorter one-day installation of wooden poles). As a conservative estimate (i.e. 150 feet between poles and a two-day pole construction duration), Project construction would only occur within a 500-foot radius of a given sensitive receptor for approximately two weeks.

Based on emissions modeling, maximum daily emissions of exhaust PM_{2.5} would be less than 1 lb/day during construction with implementation of Mitigation Measure 3.3-1. As noted previously, these estimates represent a conservative analysis and would only occur near each sensitive receptor during a short period of time. The Project would not generate emissions during operations.

Considering the highly dispersive properties of diesel PM, the relatively low mass of diesel PM emissions that would be generated at any single place during Project construction, and the relatively short period during which diesel PM—emitting construction activities would take place near any one sensitive receptor, construction-related TACs would not expose sensitive receptors to an incremental increase in cancer risk that exceeds 10 in one million. The Project would not generate any emissions during operations and would not result in long-term exposure of any sensitive receptors to TACs. As a result, this impact would be ***less than significant***, and no mitigation would be required.

d) Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?

Less-than-Significant Impact. Minor odors from the use of heavy-duty diesel equipment and the pouring of concrete during Project construction activities would be intermittent and temporary, and would dissipate rapidly from the source within an increase in distance. While the Project would be constructed intermittently over a 12-month period, these types of odor-generating activities would not occur at any single location or for an extended period of time. Therefore, Project construction is not anticipated to result in substantial odor emissions. Activities associated with Project operation would be limited to maintenance activities that would occur at a similar extent to under the existing conditions for the current power line. Therefore, implementation of the Project would not result in exposure of a substantial number of people to objectionable odors. Thus, this impact would be ***less than significant***, and no mitigation would be required.

3.4 Biological Resources

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
IV. Biological Resources.				
Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

3.4.1 Environmental Setting

This section describes biological resources in and adjacent to the Project alignment and evaluates potential impacts to such resources as a result of Project implementation. To determine the biological resources that may be subject to impacts from the Project, the following data sources were reviewed:

- California Department of Fish and Wildlife (CDFW) California Natural Diversity Database (CNDDB) records search for special-status species occurrences within the Rio Linda and eight surrounding USGS 7.5-minute topographic quadrangles (Carmichael, Citrus Heights, Pleasant Grove, Roseville, Sacramento East, Sacramento West, Taylor Monument, and Verona) (CDFW 2024a);

- California Native Plant Society (CNPS) Online Inventory of Rare and Endangered Plants records search for special-status species occurrences within the Rio Linda and eight surrounding USGS 7.5-minute topographic quadrangles (CNPS 2024);
- U.S. Fish and Wildlife Service (USFWS) Information, Planning, and Consultation System (IPaC) list of federally proposed, candidate, threatened, and endangered species that may occur in the Project region (USFWS 2024a);
- USFWS Critical Habitat for Threatened and Endangered Species (online mapping program) (USFWS 2024b);
- USFWS National Wetlands Inventory (NWI) (USFWS 2024c);
- National Hydrography Dataset (NHD) (USGS 2024); and
- SMUD Elverta/McClellan Habitat Assessment Technical Memorandum (Ascent 2024).

Appendix B provides a list of special-status species derived from the database searches listed above and an evaluation of their potential to occur within the Project alignment. Biologists conducted a reconnaissance-level field survey of the Project alignment on November 28, 2023, and February 13, 2024. A habitat assessment for vernal pool branchiopods was conducted during the February 13, 2024 field survey.

Vegetation and Habitat Types

Vegetation and habitat types within the Project alignment include:

- developed,
- annual grassland,
- wetlands, and
- riverine.

Developed: Developed habitat along the Project alignment consists of roadways, road shoulders, infrastructure associated with the Sacramento McClellan Airport, industrial and commercial development, and residential uses. Developed areas are paved or otherwise developed or disturbed and generally lack natural vegetation. When present, vegetation associated with developed areas consists of turf grass and other ornamental shrubs, plants, and trees.

Annual Grassland: Annual grassland habitat is dominated by nonnative grasses, including soft chess (*Bromus hordeaceus*), ripgut brome (*Bromus diandrus*), wild oats (*Avena fatua*), Italian rye grass (*Festuca perennis*), and barley (*Hordeum* sp.). Other plant species observed include yellow starthistle (*Centaurea solstitialis*), hairy vetch (*Vicia villosa*), crane's bill geranium (*Geranium molle*), California burclover (*Medicago polymorpha*), and wild radish (*Raphanus raphanistrum*). Due to its proximity to developed areas, annual grassland habitat in the Project alignment is highly and regularly disturbed by mowing and other human activities.

Wetlands: A formal aquatic resources delineation was not conducted for the Project. However, several wetland features were noted within the Project alignment. Wetlands within and adjacent to the Project alignment consist of seasonal wetlands, vernal pools, and swales. Wetland features have the potential to provide habitat for federally and state-listed species including vernal pool fairy shrimp (*Branchinecta lynchi*), vernal pool tadpole shrimp (*Lepidurus packardii*), western spadefoot toad (*Spea hammondi*), and special-status plants.

Riverine: Riverine habitats, including stream channels and rivers, are distinguished by intermittent or continually running water. As noted above, a formal aquatic resources delineation was not conducted for the Project. However, several riverine features were noted within the Project alignment. Magpie Creek, an intermittent stream channel, flows westward under the Project alignment near Patrol Road and Shelter Road. Don Julio Creek, an intermittent channel, flows west under the Project alignment just north of Magpie Creek. In addition to these two channels, a number of unnamed intermittent and ephemeral channels (both natural and man-made) cross the Project alignment.

Special-status Species

Special-status species are species that are legally protected under the federal Endangered Species Act (ESA), California Endangered Species Act (CESA), California Fish and Game Code, or local plans, policies, and regulations or that are otherwise considered sensitive by federal, state, or local resource conservation agencies. For this IS/MND, special-status species are defined as:

- species listed or proposed for listing as threatened or endangered under ESA;
- species designated as a candidate for listing as threatened or endangered under ESA.
- species listed, proposed for listing, or a candidate for listing as threatened or endangered under CESA;
- species listed as fully protected under the California Fish and Game Code;
- Animals identified by CDFW as species of special concern;
- plants considered by CDFW to be “rare, threatened or endangered in California” (California Rare Plant Ranks of 1A, presumed extinct in California; 1B, considered rare or endangered in California and elsewhere; and 2, considered rare or endangered in California but more common elsewhere). The California Rare Plant Ranks correspond with and replace former California Native Plant Society listings. While these rankings do not afford the same type of legal protection as ESA or CESA, the uniqueness of these species requires special consideration under the California Environmental Quality Act (CEQA);
- species considered a locally significant species, that is, a species that is not rare from a statewide perspective but is rare or uncommon in a local context such as within a county or region (CEQA Section 15125 [c]) or is so designated in local or regional plans, policies, or ordinances (State CEQA Guidelines, Appendix G); and

- species that otherwise meet the definition of rare or endangered under CEQA Sections 15380(b) and (d).

A preliminary list of special-status botanical and animal species with potential to occur within or along the Project alignment was developed based on a review of the existing data sources described previously (see Appendix B). An analysis of special-status animal and botanical species was conducted using documentation related to potential to occur in the region, the presence of suitable habitat within the Project alignment, and other factors.

3.4.2 Discussion

- a) **Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?**

Less than Significant with Mitigation Incorporated.

Special-Status Plant Species

After completion of the reconnaissance-level field surveys and review of existing information on special-status plant species in the vicinity of the Project alignment, it was determined that six special-status plant species have the potential to occur within the Project alignment, including dwarf downingia (*Downingia pusilla*), Bogg's Lake hedge-hyssop (*Gratiola heterosepala*), Ahart's dwarf rush (*Juncus leiospermus* var. *ahartii*), Red Bluff dwarf rush (*Juncus leiospermus* var. *leiospermus*), legenere (*Legenere limosa*), and Sacramento Orcutt grass (*Orcuttia viscida*). Suitable habitat for these plant species includes vernal pools as well as seasonal wetlands, swales, and other seasonally wet areas such as ditches. While potentially suitable habitats for these species were documented within and adjacent to the Project alignment, no such habitat would be directly affected by the Project. However, work activities adjacent to wetland features could cause -impacts to habitat through construction personnel or equipment unintentionally trampling or otherwise affecting habitat. This impact would be potentially significant, and mitigation is required.

Mitigation Measure 3.4-1: Conduct Biological Resources Environmental Awareness Training

Before any work occurs, including equipment staging, all construction personnel shall participate in a biological resources environmental awareness training regarding special-status species and sensitive habitats present in the Project alignment. If new construction personnel are added to the Project, they must receive the mandatory training before starting work. As part of the training, an environmental awareness handout shall be provided to all personnel that describes and illustrates sensitive resources to be avoided during Project construction.

Mitigation Measure 3.4-2: Install Temporary Fencing to Protect Environmentally Sensitive Habitat Areas

Temporary fencing shall be placed along the boundary of the work areas to avoid and protect environmentally sensitive areas (waters of the U.S. and State, special-status species habitat) during construction activities. Fencing must be installed prior to the initiation of any vegetation removal, equipment staging, construction, or other Project activity. Fencing will consist of temporary construction barrier fencing or silt fencing and be of sufficient height to prevent construction personnel and equipment from entering any environmentally sensitive areas. The fencing will be checked regularly and maintained until all construction is complete.

Mitigation Measure 3.4-3: Conduct Weekly Biological Monitoring Visits

A qualified biologist shall make periodic monitoring visits to construction areas occurring in or adjacent to environmentally sensitive habitat areas. The construction contract shall specify that the construction contractor shall maintain the fencing protecting sensitive biological resources. Additionally, SMUD shall utilize a qualified biologist on-call to assist the construction crew in complying with all Project implementation restrictions and guidelines on a monthly basis or as needed.

Mitigation Measure 3.4-4: Restore Temporarily Disturbed Areas

All temporarily disturbed areas shall be returned to pre-Project conditions upon completion of construction. Soil stabilization may include, but is not limited to, seeding with a native grass seed mix and/or planting native plants. These areas will be properly protected from washout and erosion using appropriate erosion control devices including coir netting, hydroseeding, and revegetation. The existing grades in temporary impact areas will be recontoured to pre-Project conditions.

With implementation of Mitigation Measures 3.4-1 through 3.4-4 potential impacts to special-status plant species would be reduced to a **less-than-significant** level because special-status species and sensitive habitats would be avoided. In addition, the Project would be subject to the NPDES Statewide construction general permit for stormwater runoff (Order WQ 2022-0057–DWQ and NPDES No. CAS000002 [Construction General Permit]), which would comply with state and federal water quality regulations. In compliance with the Construction General Permit, a stormwater pollution prevention plan (SWPPP) would be developed for the Project by a qualified SWPPP professional. The objectives of the SWPPP are to identify pollutant sources that may affect the quality of stormwater associated with construction activity and identify, construct, and implement stormwater pollution prevention measures to reduce pollutants in stormwater discharges during and after construction. Therefore, the SWPPP would include a description of potential pollutants, the management of dredged sediments, and hazardous materials present on the site during construction (including vehicle and equipment fuels). The SWPPP would also include details of how BMPs for sediment and erosion control would be implemented to prevent sediment runoff.

Vernal Pool Branchiopods (Vernal Pool Fairy Shrimp and Vernal Pool Tadpole Shrimp)

There are 17 CNDDDB records of vernal pool fairy shrimp and one CNDDDB record of vernal pool tadpole shrimp within 5.0 miles of the Project alignment (CDFW 2024a). Each of these species has a recorded occurrence immediately south and east of the Project alignment associated with a vernal pool complex southwest of Ascot Avenue and Patrol Road. This vernal pool complex is within the boundaries of the West Nature Area. Both of these occurrences are presumed extant.

Suitable habitat for vernal pool tadpole shrimp and vernal pool fairy shrimp includes vernal pools as well as seasonal wetlands, swales, and other seasonally wet areas such as ditches. Suitable habitat for vernal pool fairy shrimp and vernal pool tadpole shrimp is located in numerous locations within and adjacent to the Project alignment. There is a vernal pool complex southwest of the intersection of Ascot Avenue and Patrol Road. These features have recorded occurrences of vernal pool branchiopods including vernal pool tadpole shrimp and vernal pool fairy shrimp (CDFW 2024a). In addition to this vernal pool complex, suitable habitat for vernal pool branchiopods was identified within and adjacent to the Project alignment adjacent to Patrol Road, 20th Street, and Elkhorn Boulevard.

Based on preliminary Project design, the Project would not result in direct impacts to vernal pool branchiopod habitat. Vernal pool branchiopod impacts are considered “direct impacts” if the Project would result in the direct placement of fill into any portion of suitable habitat. As currently designed, there would be no placement of new poles or any other associated ground disturbance within suitable habitat for vernal pool large branchiopods, and poles to be removed within suitable habitat would be cut at ground level and left in place. Therefore, there would be no fill of any vernal pool large branchiopod habitat as a direct result of project construction. As such, there would be no direct effects to vernal pool branchiopods or their habitat.

Indirect impacts to vernal pools and similar habitats can occur through altered landscape hydrology, such as new impervious surfaces, water runoff, or introduction of chemicals or pollution from nearby construction activities. In addition, earth moving, drilling, trenching and other activities within the micro-watershed of a vernal pool can adversely affect the hydrologic regime of the vernal pool through changes in surface flows or perched groundwater flows leading to changes in the timing and depth of saturation/inundation. According to the USFWS, where the reach of indirect effects on vernal pools cannot be specifically determined, all habitat within 250 feet of proposed development may be considered indirectly affected (USFWS 1996).

There are several aquatic resources that provide potentially suitable habitat for vernal pool species that occur within 250 feet of a proposed project activity (i.e., pole replacement, new pole, or pole removal). Although these aquatic resources occur within 250 feet of project activities, most aquatic resources are hydrologically isolated from project construction due to existing infrastructure, such as paved roads. Therefore, no indirect impacts to these aquatic resources are anticipated.

Several other seasonal wetlands occur within 250 feet of proposed pole replacements, removals, or new poles and do not have an existing infrastructure barrier to surface flows and are located at approximately the same or lower elevation as the powerline alignment with no slope breaks (rises or depressions greater than 1 foot). Pole removals would consist of cutting the pole at ground level and leaving the base in place. Pole replacements would occur in the same hole. These activities would not result in indirect impacts on the seasonal wetlands.

Nine new pole installations (two wood poles, and seven steel poles) are also proposed within 250 feet of seasonal wetlands and potential vernal pools. Two seasonal wetlands are located west and east of Patrol Road, respectively, a third seasonal wetland is located west of 20th Street and south of Q Street, and several potential vernal pools are located at the intersection of 20th Street and Elkhorn Boulevard, within private property.

The holes for the new poles would be drilled using a 3-foot diameter auger to a depth of 9 feet for wood poles and a 5-foot diameter auger to a depth of 20 feet for steel poles. Concrete would be used to secure the steel pole and would create a maximum 20 square-foot impervious surface per pole. These holes would exceed the hardpan layer. However, the disturbance footprint and creation of an impervious surface would be minimal, and the study area and vicinity have a substantial history of disturbance, including excavations to depths far exceeding the hardpan layer. Therefore, indirect impacts to potential vernal pool habitat from drilling would be negligible.

However, work activities adjacent to wetland features could cause indirect temporary impacts to habitat through sediment runoff into these features. As a result, the Project would result in a potentially significant impact, and mitigation would be required.

Mitigation Measure 3.4-1: Conduct Biological Resources Environmental Awareness Training (described above)

Mitigation Measure 3.4-2: Install Temporary Fencing to Protect Environmentally Sensitive Habitat Areas (described above)

Mitigation Measure 3.4-3: Conduct Weekly Monitoring Visits (described above)

Mitigation Measure 3.4-4: Restore Temporarily Disturbed Areas (described above)

Mitigation Measure 3.4-5: Restrict Ground-disturbing Activities to the Dry Season (Between April 15 and October 15)

All ground-disturbing activities within 250 feet of suitable habitat for vernal pool branchiopods shall be restricted to the dry season (between approximately April 15 and October 15) to avoid the period when special-status species (vernal pool fairy shrimp, vernal pool tadpole shrimp, and western spadefoot) could be breeding.

With implementation of Mitigation Measures 3.4-1 through 3.4-5, potential impacts to vernal pool branchiopods would be reduced to a **less-than-significant** level because suitable habitat would be avoided.

Western Spadefoot Toad

There are no CNDDDB records of western spadefoot toad within 5.0 miles of the Project alignment (CDFW 2024a). However, suitable breeding habitat for western spadefoot occurs in vernal pools and seasonal wetlands in and adjacent to the Project alignment and the annual grassland habitat provides upland habitat. Western spadefoots were not observed during the November 2023 and February 2024 surveys. However, habitat for western spadefoot (vernal pools, seasonal wetlands, and annual grasslands) is present within and adjacent to the Project

alignment, and annual grassland would be permanently affected by construction activities associated with the Project.

The proposed project would result in permanent impacts to potential hibernacula (i.e., upland) habitat (annual grassland) for western spadefoot. No breeding habitat (seasonal wetland, vernal pools) would be directly affected by the Project. The proposed project has the potential to directly impact western spadefoot by causing physical harm to individuals if they are present in the Project alignment during construction. Western spadefoot individuals could be harmed during construction, which could crush burrowing individuals. Additionally, work activities adjacent to wetland features could cause indirect temporary impacts to habitat through sediment runoff into these features. Thus, implementation of the Project would result in a potentially significant impact, and mitigation would be required.

Mitigation Measure 3.4-1: Conduct Biological Resources Environmental Awareness Training (described above)

Mitigation Measure 3.4-2: Install Temporary Fencing to Protect Environmentally Sensitive Habitat Areas (described above)

Mitigation Measure 3.4-3: Conduct Weekly Monitoring Visits (described above)

Mitigation Measure 3.4-4: Restore Temporarily Disturbed Areas (described above)

Mitigation Measure 3.4-5: Restrict Ground-disturbing Activities to the Dry Season (Between April 15 and October 15) (described above)

Mitigation Measure 3.4-6: Conduct a Pre-Construction Survey for Western Spadefoot

A qualified biologist will conduct a survey no less than 7 days prior to the initiation of any ground disturbing activities within or adjacent to suitable habitat for western spadefoot. This survey will comprise walking transects while conducting visual encounter surveys within areas that will be subject to staging, vegetation clearing, grubbing, grading, cut and fill, or other ground disturbing activities. The survey will include wetlands and adjacent grassland. All potential habitat features, such as crevices and burrows western spadefoot often use, within the area of disturbance will be searched to the maximum extent practicable. If the pre-construction survey shows that there is no evidence of western spadefoot, a letter report shall be submitted to SMUD for their records within 14 days of the survey, and no additional measures are required.

If western spadefoot are present within the work limits (including their egg masses or tadpoles), then CDFW will be notified and additional avoidance and minimization measures will be implemented. Any special-status species observed will be allowed to voluntarily move outside of the work area on its own volition.

With implementation of Mitigation Measures 3.4-1 through 3.4-6, potential impacts to western spadefoot would be reduced to a ***less-than-significant*** level because pre-construction surveys, weekly monitoring, biological resources environmental awareness training, necessary fencing, restoration of disturbed areas, and limits to dry season construction activities would ensure that individuals would not be affected.

Western Pond Turtle

There is a single CNDDDB record of western pond turtle (*Emys marmorata*) within 5.0 miles of the Project alignment (CDFW 2024a). This occurrence of western pond turtle is within Magpie Creek immediately west of the Project alignment.

Magpie Creek and Don Julio Creek provide suitable aquatic habitat for western pond turtle within and adjacent to the Project alignment, and grasslands and streambanks adjacent to this aquatic habitat provides suitable basking sites and upland egg-laying habitat for this species. Western pond turtles were not observed during the November 2023 and February 2024 surveys. However, both aquatic and upland habitat for western pond turtles is present within and adjacent to the Project alignment, and annual grassland would be permanently affected by construction activities associated with the Project.

The Project would result in permanent impacts to potential upland habitat (annual grassland) for western pond turtle. No aquatic habitat would be directly impacted by the Project. The Project has the potential to directly impact western pond turtle by causing physical harm to individuals if they are present in the Project alignment during construction. Western pond turtle individuals could be harmed during construction, which could crush burrowing individuals. Additionally, work activities adjacent to Magpie Creek and Don Julio Creek could cause indirect temporary impacts to habitat through sediment runoff into these features. Thus, the Project would result in a potentially significant impact, and mitigation is required.

Mitigation Measure 3.4-1: Conduct Biological Resources Environmental Awareness Training (described above)

Mitigation Measure 3.4-2: Install Temporary Fencing to Protect Environmentally Sensitive Habitat Areas (described above)

Mitigation Measure 3.4-3: Conduct Weekly Monitoring Visits (described above)

Mitigation Measure 3.4-4: Restore Temporarily Disturbed Areas (described above)

Mitigation Measure 3.4-7: Conduct a Pre-Construction Survey for Western Pond Turtle

A qualified biologist shall survey the work site no more than 48 hours before the onset of activities for signs of western pond turtles and/or western pond turtle nesting activity (i.e. recently excavated nests, nest plugs) or nest depredation (partially to fully excavated nest chambers, nest plugs, scattered egg shell remains, egg shell fragments). Pre-construction surveys to detect western pond turtles in aquatic habitats should focus on suitable aerial and aquatic basking habitat such as logs, branches, rootwads, and rip-rap, as well as the shoreline and adjacent warm, shallow waters where pond turtles may be present below the water surface beneath algal mats or other surface vegetation.

Preconstruction surveys to detect western pond turtle nesting activity should be concentrated within 402 m (1,319 ft) of suitable aquatic habitat and should focus on areas along south- or west-facing slopes with bare hard-packed clay or silt soils or a sparse vegetation of short grasses or forbs. If western pond turtles or their nest sites are found, the biologist shall contact CDFW to determine whether relocation and/or

exclusion buffers and nest enclosures are appropriate. If CDFW approves of moving the animal, the biologist shall be allowed sufficient time to move the western pond turtle(s) from the work site before work activities begin.

With implementation of Mitigation Measures 3.4-1 through 3.4-4 and Mitigation Measure 3.4-7, potential impacts to western pond turtle would be reduced to a **less-than-significant** level because pre-construction surveys, weekly monitoring, biological resources environmental awareness training, necessary fencing, restoration of disturbed areas, and limits to dry season construction activities would ensure that individuals would not be affected.

Special-Status and Common Nesting Birds

There are 17 CNDDDB records of nesting Swainson's hawks (*Buteo swainsoni*) within 5.0 miles of the Project alignment (CDFW 2024a). However, none of these occurrences are within 1,000 feet of the Project alignment. While the Project alignment is highly urbanized and disturbed, Swainson's hawks are known to nest in urban settings in some locations. Although the Project alignment is within 5.0 miles of known Swainson's hawk nesting locations, and because of its urban nature, the Project alignment does not contain suitable foraging habitat for Swainson's hawk (e.g., row crops, field crops, pasture). There are 11 CNDDDB recorded occurrences of white-tailed kite (*Elanus leucurus*) within 5.0 miles of the Project alignment (CDFW 2024a). The nearest occurrence is associated with Magpie Creek and is located immediately west of the Project alignment. This species is known to nest in riparian areas and within urban settings. Although the Project alignment contains trees that could provide nesting sites for these species, foraging habitat is limited near the Project alignment and therefore nesting potential is considered moderate for Swainson's hawk and white-tailed kite.

The mature trees within and adjacent to the Project alignment have potential to provide suitable nesting habitat for Swainson's hawk, white-tailed kite, and other common raptors and nesting birds. Common raptors that may nest along the Project alignment include Cooper's hawk (*Accipiter cooperii*), red-tailed hawk (*Buteo jamaicensis*), red-shouldered hawk (*Buteo lineatus*), and great horned owl (*Bubo virginianus*). A cooper's hawk was observed during the reconnaissance survey on November 28, 2023. In addition to common raptors, the Project alignment may also support other common nesting birds. The nests of common raptors and other common birds are protected under Sections 3503 and 3503.5 of the Fish and Game Code.

Project construction would not result in the removal of any trees providing suitable nesting sites for special-status or common birds, but there is the potential for trees to be pruned or trimmed and therefore has the potential to result in direct removal of bird nests. Additionally, construction activities occurring during the nesting season (between approximately February 1 and August 31), such as ground disturbance and presence of construction equipment and crews, could generate noise and visual stimuli that may result in disturbance to active bird nests, if present, potentially resulting in nest abandonment. Nest abandonment may result in death of chicks or loss of eggs if the adult bird does not return to the nest. Nest abandonment would be considered a significant impact. As a result, this impact would be potentially significant, and mitigation is required.

Mitigation Measure 3.4-1: Conduct Biological Resources Environmental Awareness Training (described above)**Mitigation Measure 3.4-8: Avoid or Minimize Effects on Nesting Birds**

The following measures shall be implemented to avoid or minimize loss of active Swainson's hawk, white-tailed kite, and other nesting birds.

- *If construction (including vegetation removal) would occur during the nesting season (between February 1 and August 31), a qualified biologist shall conduct pre-construction nesting bird surveys to determine if birds are nesting in the work area or within 0.25 mile of the Project alignment for Swainson's hawk and 500 feet for all other nesting birds.*
- *The pre-construction nesting bird surveys will identify on-site bird species and any nest-building behavior. If no Swainson's hawks are found within 0.25 mile of the Project alignment or if no nesting birds are found in or within 500 feet of the Project alignment during the pre-construction clearance surveys, construction activities may proceed as scheduled.*
- *If pre-nesting behavior is observed, but an active nest has not yet been established (e.g., courtship displays, but no eggs in a constructed nest), a nesting bird deterrence and removal program will be implemented. Such deterrence methods include removal of previous year's nesting materials and removal of partially completed nests in progress. Once a nest is situated and identified with eggs or young, it is considered to be "active" and the nest cannot be removed until the young have fledged.*
- *If active Swainson's hawk nests are found within the survey area, the construction contractor shall avoid impacts on such nests by establishing a no-disturbance buffer around the nest. Monitoring of the nest by a qualified biologist during construction activities shall be required if the activity has the potential to adversely affect the nest. Based on guidance for determining a project's potential for affecting Swainson's hawks (Swainson's Hawk Technical Advisory Committee 2000), projects in urban areas have a low risk of adversely affecting nests greater than 600 feet from project activities. Therefore, 600 feet is anticipated to be the adequate buffer size for protecting nesting Swainson's hawks from disturbances associated with the Project implementation. However, the qualified biologist shall consult with CDFW to confirm the adequacy of the no-disturbance buffer and/or whether the buffer may be reduced based on the biologist's professional judgment.*
- *For species other than Swainson's hawk, if an active nest is found in or within 500 feet of the Project alignment during construction, a "no construction" buffer zone will be established around the active nest (usually a minimum radius of 50 feet for passerine birds and 500 feet for raptors) to minimize the potential for disturbance of the nesting activity. The qualified biologist will determine and flag the appropriate buffer size required, based on the species, specific situation, tolerances of the species, and the nest location. Project activities will resume in the buffer area when the qualified biologist has determined that the nest(s) is*

(are) no longer active or the biologist has determined that with implementation of an appropriate buffer, work activities would not disturb the birds nesting behavior.

With implementation of Mitigation Measures 3.4-1 and 3.4-8, potential impacts to nesting birds would be reduced to a **less-than-significant** level because pre-construction surveys and biological resources environmental awareness training would ensure that nesting birds would not be affected.

- b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations or by the California Department of Fish and Wildlife or the U.S. Fish and Wildlife Service?**

No Impact. The Project alignment does not contain riparian habitat. Therefore, there would be **no impact** on riparian habitat. Sensitive natural communities include wetlands, which are discussed below.

- c) Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?**

Less than Significant with Mitigation Incorporated. Based on preliminary Project design, there would be no direct impacts to state or federally protected aquatic resources (including wetlands) within the Project alignment. As currently designed, there would be no placement of new poles or any other associated ground disturbance within state or federally protected aquatic resources, and poles to be removed within state or federally protected aquatic resources would be cut at ground level and left in place. As such, there would be no direct effects to state or federally protected aquatic resources. However, work activities adjacent to state or federally protected wetlands could cause indirect temporary impacts to habitat through sediment runoff into these features. Thus, implementation of the Project would result in a potentially significant impact, and mitigation would be required.

Mitigation Measure 3.4-1: Conduct Biological Resources Environmental Awareness Training (described above)

Mitigation Measure 3.4-2: Install Temporary Fencing to Protect Environmentally Sensitive Habitat Areas (described above)

Mitigation Measure 3.4-3: Conduct Weekly Monitoring Visits (described above)

Mitigation Measure 3.4-4: Restore Temporarily Disturbed Areas (described above)

With implementation of Mitigation Measures 3.4-1 through 3.4-4, potential impacts to state or federally protected aquatic resources would be reduced to a **less-than-significant** level because direct impacts to state and federally protected aquatic resources would be avoided and sediment runoff into these features would be eliminated such that there would not be substantial indirect impacts.

- d) **Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?**

No Impact. The Project alignment is located primarily within an urban and disturbed setting. This urban and disturbed setting does not support native wildlife nursery sites. A search of CDFW's California Essential Habitat Connectivity and Missing Linkages in California Landscape data did not identify any designated essential habitat connectivity areas or missing linkages within the Project alignment or in the immediate Project vicinity (CDFW 2024b). The Project would not alter any existing wildlife corridor and would not interfere with the movement of migratory fish species. Therefore, the Project would result in **no impact** on movement of native resident or migratory fish or wildlife species, movement corridors, or native wildlife nursery sites, and no mitigation would be required.

- e) **Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?**

Less-than-Significant Impact. The Project alignment would primarily be located within the County of Sacramento, with the exception of four poles located along Ascot Road (two poles associated with Phase 1 and two poles associated with Phase 2A) that would be located within the City of Sacramento. Therefore, both County of Sacramento and City of Sacramento policies and ordinances apply.

County of Sacramento

Chapter 19.04

Chapter 19.04 of the Sacramento County Code of Ordinances provides for the protection, preservation, and regulation of trees on public property within Sacramento County. This includes all trees planted or maintained by the County on an easement, planting easement, street, County park, or public premises. A permit shall be required to plant, transplant, move, separate, trim, prune, cut above or below ground, disrupt, alter, or take any other action upon any tree located on public premises.

Chapter 19.12

The Sacramento County Tree Preservation and Protection Ordinance (Chapter 19.12 of the Sacramento County Code of Ordinances) provides for the protection of native oak trees, including valley oak (*Quercus lobata*), interior live oak (*Q. wislizeni*), blue oak (*Q. douglasii*), and oracle oak (*Q. morehus*). Protected trees include any living native oak tree having at least one trunk of six inches or more diameter at standard height (DSH), or a multi-trunked native oak tree having an aggregate DSH of 10 inches. Chapter 19.12 states that no person shall trench, grade, or fill within the dripline of any native oak tree; or destroy, kill, or remove any native oak tree, on any property, public or private, without a tree permit.

*City of Sacramento***Chapter 12.56**

The City of Sacramento Tree Planting, Maintenance, and Conservation Ordinance (Chapter 12.56 of the City of Sacramento Code of Ordinances) includes provisions to protect City street trees as well as private protected trees. All removal, trimming, pruning, cutting, or other maintenance activities on any City street tree or private protected trees requires a permit from the Director of the Department of Transportation pursuant to City Code Section 12.56.050.

A City tree is defined as any tree the trunk of which, when measured 4.5 feet above ground, is partially or completely located in a city park, on real property the city owns in fee, or on a public right-of-way, including any street, road, sidewalk, park strip, mow strip, or alley. A private protected tree is defined as a tree that is designated by city council resolution to have special historical value, special environmental value, or significant community benefit, and is located on private property; any native Valley oak (*Quercus lobata*), blue oak (*Quercus douglasii*), interior live oak (*Quercus wislizenii*), coast live oak (*Quercus agrifolia*), California buckeye (*Aesculus californica*), or California sycamore (*Platanus racemosa*), that has a DSH of 24 inches or more, and is located on private property; a tree that has a DSH of 24 inches or more located on private property that is an undeveloped lot or does not include any single or duplex dwellings; or a tree that has a DSH of 32 inches or more located on private property that includes any single unit or duplex dwellings.

Implementation of the Project is not expected to result in the removal of any trees, but there is the potential for trees to be pruned or trimmed. This would require a permit from Sacramento County and/or the City of Sacramento. SMUD compliance with the conditions of the County's and/or City's tree permit would constitute compliance with Sacramento County Code Chapter 19.04 and 19.12 and City of Sacramento Code Chapter 12.56. Therefore, the impact from implementation of the Project would result in a ***less than significant*** impact.

f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?

No Impact. There are no Habitat Conservation Plans, Natural Community Conservation Plans, or other approved habitat conservations applicable to the Project alignment. Therefore, there would be ***no impact*** related to conflicts with adopted conservation plans.

3.5 Cultural Resources

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
V. Cultural Resources.				
Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource pursuant to Section 15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Disturb any human remains, including those interred outside of dedicated cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3.5.1 Environmental Setting

Regional Precontact History

Although human occupation of the Central Valley may extend back 10,000 before present (B.P.), reliable evidence of such an early human presence is lacking and may be deeply buried. The precontact history setting can be categorized into the following periods.

The Paleo-Indian Period: The Paleo-Indian Period (12,000 to 10,500 B.P.) saw the first demonstrated entry and spread of humans into California. Characteristic artifacts recovered from archaeological sites of this time period include fluted projectile points (constructed from chipped stones that have a long groove down the center called a “flute”) and large, roughly fashioned cobble and bifacially-flaked stone tools that were used in hunting the mastodon, bison, and mammoth that roamed the land during this time.

The Lower Archaic Period: The beginning of the Lower Archaic Period (10,500 to 7500 B.P.) coincides with that of the Middle Holocene climatic change which resulted in widespread floodplain deposition. This episode resulted in most of the early archaeological deposits being buried. Most tools were manufactured of local materials, and distinctive artifact types include large dart points and the milling slab and handstone.

The Middle Archaic Period: The Middle Archaic Period (7500 to 2500 B.P.) is characterized by warm, dry conditions which brought about the drying up of pluvial lakes. Economies were more diversified and may have included the introduction of acorn processing technology, although hunting remained an important source of food. Artifacts characteristic of this period include milling stones and pestles and a continued use of a variety of implements interpreted as large dart points.

The Upper Archaic Period: The Upper Archaic Period (2500 to 850 B.P.) corresponds with a sudden turn to a cooler, wetter, and more stable climate. The development of status distinctions based upon wealth is well documented in the archaeological record. The development of specialized tools, such as bone implements and stone plummets, as well as manufactured shell

goods, were prolific during this time. The regional variance of economies was largely because of the seasonality of resources, which were harvested and processed in large quantities.

The Emergent Period: Several technological and social changes distinguish the Emergent Period (850 B.P. to Historic era) from earlier cultural manifestations. The bow and arrow were introduced, ultimately replacing the dart and throwing spear, and territorial boundaries between groups became well established. In the latter portion of this Period (450 to 1800 B.P.), exchange relations became highly regularized and sophisticated. The clam disk bead developed as a monetary unit of exchange and increasing quantities of goods moved greater distances. It was at the end of this Period that contact with Euroamericans became commonplace, eventually leading to intense pressures on Native American populations.

Historic Setting

Exploration into the Sacramento Valley began in the early 1800s via colonization and the establishment of missions. One of the early explorers, a Spaniard name Gabriel Moraga, is responsible for naming the valley region “Sacramento,” which means “the Holy Sacrament.” Latin influence in the region continued in the early 1800s as Mexico gained independence from Spain and began sending explorers to Sacramento in 1822. While the area was technically under Mexican rule by 1824, the area was still inhabited by numerous Native Americans. Sacramento history goes back to 1839 when John Sutter arrived on the shore near the confluence of the American and Sacramento rivers. The history of Sacramento has been shaped by its location near the Sacramento and American rivers. These rivers provided transportation, irrigation, and food supply for early settlers (Ascent 2024: 29).

The Project alignment located just north of the Rancho del Paso Mexican Land Grant, which was given to Elias Grimes in 1844 by the Mexican governor of California, Manuel Micheltorena. The land grant contained 44,374 acres of land located north of the American River. After Grimes’ death in 1848, Rancho del Paso was sold to Samuel Norris who used the land to farm wheat and raise cattle until 1862, at which point he auctioned it off to pay his debts. The buyers of the land were Samuel Norris’ lawyers, Lloyd Tevis and James Ben Ali Haggin, who purchased the land at the auction for \$63,500. James Ben Ali Haggin and Lloyd Tevis owned the Rancho del Paso from 1862 to 1910, with the land serving many purposes throughout the years. In 1910, Haggin and Tevis sold the rancho to the Sacramento Valley Colonization Company, a subsidiary of the United States Land Company of Chicago, which decided to subdivide the land and offer parcels and lots for sale. The area in the vicinity of the Project was divided into approximately 25 farm sites, which faced hardship due to lack of a reliable water source. An Army aircraft supply and maintenance facility known as McClellan Field was built within the area of the previous farm sites between 1937 and 1939. The airfield was named to honor Major Hezekiah McClellan, an aviation pioneer who died in 1937. Due to the construction, upgrades, and employment for the base, a rush of development of houses and businesses within the vicinity of the base occurred throughout the 1940s. After the U. S. Air Force was formed in 1947, McClellan Field became McClellan Air Force Base. McClellan Air Force Base closed in 1995 and today the former military facility houses hundreds of businesses (Ascent 2024:30).

Records Searches, Surveys, and Consultation

A records search of the Project alignment and a 1/4-mile radius was conducted by the North Central Information Center (NCIC), at California State University, Sacramento (SAC-23-217) on November 28, 2023. The following information was reviewed as part of the records search:

- site records of previously recorded sites,
- previous cultural studies,
- NRHP and CRHR listings,
- Built Environment Resource Directory (BERD),
- the California Historic Resources Inventory, and
- the Office of Historic Preservation Historic Properties Directory.

The records search revealed four cultural resources within the Project alignment or within a 1/4-mile radius of the Project alignment. One is a historic era archaeological site (P-34-000654), and three are built environment features consisting of two residences and one road (P-34-000658, P-34-000660, and P-34-005408).

On December 1, 2023, a pedestrian survey was conducted for the Project alignment. The survey revealed that the entire Project alignment has been historically developed, and substantial portions of the Project alignment are paved. No new archaeological sites or built environment features were discovered during the pedestrian survey. Three of the four cultural resources were relocated, and one built environment feature had been demolished (P-34-000660). Although the boundaries of P-34-000654, P-34-000658, and P-34-005408 overlap the Project alignment, the Project as currently designed would not alter or affect the physical aspect of these three sites and features. That is, neither poles nor their foundations would be installed within the three cultural resources (Ascent 2024: 31).

3.5.2 Discussion

a) Cause a substantial adverse change in the significance of a historical resource pursuant to Section 15064.5?

Less-than-Significant Impact. The records search revealed three built environment features (P-34-000658, P-34-000660, and P-34-005408) within the Project alignment. As part of the pedestrian survey P-34-000658 and P-34-005408 were identified, but P-34-000660 was no longer present. Although the Project overlaps the boundaries of P-34-000658 and P-34-005408, the Project as currently designed would not affect the physical aspects of these two resources (Ascent 2024: 31). Therefore, impacts to historical resources would be ***less than significant***, and no mitigation is required.

b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to Section 15064.5?

Less than Significant with Mitigation Incorporated. The records search revealed one historic era archaeological site within the Project alignment (P-34-000654). This archaeological site was identified during the pedestrian survey, and it was determined that the Project as currently designed would not affect the physical aspects of this site because no poles or foundations are proposed within its boundary. In addition, no new archaeological sites were recorded as a result of the pedestrian survey (Ascent 2024: 31). Nonetheless, components of the Project that require earth-moving and excavation may result in the discovery of previously unrecorded archaeological deposits. These activities could damage or destroy previously undiscovered unique archaeological resources pursuant to Section 15064.5. Thus, this impact would be potentially significant.

Mitigation Measure 3.5-1: Unanticipated Discovery of Cultural Resources

In the event that a historic-period archaeological resource (such as concentrated deposits of bottles or bricks with makers marks, amethyst glass, ceramic or metal pipes, or other historic refuse) or a prehistoric archaeological resource (such as lithic scatters, midden soils), is uncovered during grading or other construction activities, all ground-disturbing activity within 100 feet of the discovery shall be halted until a qualified archaeologist can assess the significance of the find. SMUD will be notified of the potential find and a qualified archeologist shall be retained to investigate its significance. If the find is suspected to be Native American in origin, Mitigation Measure 3.18-1b shall be implemented. Any previously undiscovered resources found during construction will be recorded on appropriate California Department of Parks and Recreation 523 forms and evaluated for significance under all applicable regulatory criteria. If the archaeologist determines that the find does not meet the CRHR standards of significance for cultural resources, construction may proceed. If the find is determined to be significant by the qualified archaeologist (i.e., because the find is determined to constitute either an historical resource or a unique archaeological resource), the archaeologist shall work with SMUD to follow accepted professional standards such as further testing for evaluation or data recovery, as necessary. The results of the identification, evaluation, and/or data recovery program for any unanticipated discoveries shall be presented in a professional-quality report that details all methods and findings, evaluates the nature and significance of the resources, analyzes and interprets the results.

Implementation of Mitigation Measure 3.5-1 would reduce potential impacts to previously undiscovered resources by requiring that steps be taken in the event that resources are encountered during Project construction. With implementation of Mitigation Measure 3.5-1, this impact would be reduced to a **less-than-significant** level.

c) Disturb any human remains, including those interred outside of formal cemeteries?

Less-than-Significant Impact. Based on documented research, no evidence suggests that any precontact or historic era marked or unmarked human interments are present within or in the immediate vicinity of the Project alignment. However, grave sites and Native American remains can occur outside of identified cemeteries or burial sites. Therefore, there is a possibility that unmarked, previously unknown grave sites and Native American remains could be present within the Project alignment and could be uncovered by Project-related construction activities.

California law recognizes the need to protect Native American human burials, skeletal remains, and items associated with Native American burials from vandalism and inadvertent destruction. The procedures for the treatment of Native American human remains are contained in California Health and Safety Code Section 7050.5 and California Public Resources Code Section 5097. These statutes require that, if human remains are discovered, potentially damaging ground-disturbing activities within a 50-foot radius shall be halted immediately, and the appropriate County Coroner shall be notified immediately. If the remains are determined by the coroner to be Native American, NAHC shall be notified within 24 hours and the guidelines of the NAHC shall be adhered to in the treatment and disposition of the remains. Following the coroner's findings, the NAHC-designated Most Likely Descendant, and the landowner shall determine the ultimate treatment and disposition of the remains and take appropriate steps to ensure that additional human interments, if present, are not disturbed. The responsibilities for acting upon notification of a discovery of Native American human remains are identified in PRC Section 5097.94. Compliance with California Health and Safety Code Section 7050.5 and California Public Resources Code Section 5097 would provide an opportunity to avoid or minimize the disturbance of human remains, and to appropriately treat any remains that are discovered. Therefore, this impact would be ***less than significant***.

3.6 Energy

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
VI. Energy.				
Would the project:				
a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3.6.1 Environmental Setting

Electricity in the Project area is provided by the Sacramento Municipal Utility District (SMUD). In 2021, SMUD provided its customers with 30 percent eligible renewable energy (i.e., biomass combustion, geothermal, small scale hydroelectric, solar, and wind) and 18 percent and 52 percent from large-scale hydroelectric and natural gas, respectively (SMUD 2023a). Pacific Gas & Electric provides natural gas to residents of Sacramento County; however, the Project does not introduce new natural gas demand.

California has a growing number of alternative fuel vehicles through the joint efforts of California Energy Commission (CEC), California Air Resources Board (CARB), local air districts, federal government, transit agencies, utilities, and other public and private entities. As of August 2023, California contained over 16,000 alternative fueling stations (AFDC 2023).

In 2021, the transportation sector comprised the largest end-use sector of energy in the State totaling 37.8 percent, followed by the industrial sector totaling 23.2 percent, the residential sector at 20.0 percent, and the commercial sector at 19.0 percent (EIA 2023). On-road vehicles use about 90 percent of the petroleum consumed in California. CEC reported retail sales of 448 million and 45 million gallons of gasoline and diesel, respectively, in Sacramento County in 2021 (the most recent data available) (CEC 2023). The California Department of Transportation (Caltrans) projects that 996 million gallons of gasoline and diesel will be consumed in Sacramento County in 2030 (Caltrans 2008).

SMUD approved its 2030 Zero Carbon Plan in April 2021. The 2030 Zero Carbon Plan consists of a road map to achieve a zero-carbon power supply by 2030, which exceeds statewide goals to meet zero carbon power supplies by 2045 (see “AB 1279 and 2022 Scoping Plan for Achieving Carbon Neutrality,” below). The plan includes solar power, large scale thermal storage, microgrids and fuel cells resources, and is designed to allow for adjustments to the overall scheme, as technological research and progress affect carbon emissions without compromising reliability or affordability (SMUD 2021). Currently, SMUD is forecasting to meet the goals of the 2030 Zero Carbon Plan in 2026 (SMUD 2023b).

Federal Regulations

Energy Policy and Conservation Act, and Corporate Average Fuel Economy Standards

The Energy Policy and Conservation Act of 1975 established nationwide fuel economy standards to conserve oil. Pursuant to this act, the National Highway Traffic and Safety Administration, part of the U.S. Department of Transportation (DOT), is responsible for revising existing fuel economy standards and establishing new vehicle economy standards.

The Corporate Average Fuel Economy (CAFE) program was established to determine vehicle manufacturers' compliance with the government's fuel economy standards. Compliance with the CAFE standards is determined based on each manufacturer's average fuel economy for the portion of their vehicles produced for sale in the country. The U.S. Environmental Protection Agency (EPA) calculates a CAFE value for each manufacturer based on the city and highway fuel economy test results and vehicle sales. Based on information generated under the CAFE program, DOT is authorized to assess penalties for noncompliance.

Energy Policy Act of 1992 and 2005

The Energy Policy Act (EPAAct) of 1992 was passed to reduce the country's dependence on foreign petroleum and improve air quality. EPAAct includes several parts intended to build an inventory of alternative fuel vehicles (AFVs) in large, centrally fueled fleets in metropolitan areas. EPAAct requires certain federal, state, and local government and private fleets to purchase a percentage of light-duty AFVs capable of running on alternative fuels each year. In addition, financial incentives are also included in EPAAct. Federal tax deductions are allowed for businesses and individuals to cover the incremental cost of AFVs. States are also required by the act to consider a variety of incentive programs to help promote AFVs. The EPAAct of 2005 provides renewed and expanded tax credits for electricity generated by qualified energy sources, such as landfill gas; provides bond financing, tax incentives, grants, and loan guarantees for clean renewable energy and rural community electrification; and establishes a federal purchase requirement for renewable energy.

State Regulations

Warren-Alquist Act

The 1975 Warren-Alquist Act established the California Energy Resources Conservation and Development Commission, now known as the CEC. The act established state policy to reduce wasteful, uneconomical, and unnecessary uses of energy by employing a range of measures. The California Public Utilities Commission regulates privately owned utilities in the energy, rail, telecommunications, and water fields.

State of California Energy Action Plan

CEC is responsible for preparing the state energy plan, which identifies emerging trends related to energy supply, demand, conservation, public health and safety, and the maintenance of a healthy economy. The current plan is the 2003 California Energy Action Plan (2008 update). The plan calls for the state to assist in the transformation of the transportation system to improve air quality, reduce congestion, and increase the efficient use of fuel supplies with the least environmental and energy costs. To further this policy, the plan identifies a number of

strategies, including assistance to public agencies and fleet operators in implementing incentive programs for zero-emission vehicles and addressing their infrastructure needs; and encouragement of urban design that reduces vehicle miles traveled (VMT) and accommodates pedestrian and bicycle access.

Assembly Bill 2076: Reducing Dependence on Petroleum

Pursuant to Assembly Bill (AB) 2076 (Chapter 936, Statutes of 2000), CEC and the CARB prepared and adopted a joint agency report in 2003, *Reducing California's Petroleum Dependence*. Included in this report are recommendations to increase the use of alternative fuels to 20 percent of on-road transportation fuel use by 2020 and 30 percent by 2030, significantly increase the efficiency of motor vehicles, and reduce per capita VMT (CEC and CARB 2003). A performance-based goal of AB 2076 was to reduce petroleum demand to 15 percent below 2003 demand by 2030.

Integrated Energy Policy Report

Senate Bill (SB) 1389 (Chapter 568, Statutes of 2002) required CEC to “conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices. The Energy Commission shall use these assessments and forecasts to develop energy policies that conserve resources, protect the environment, ensure energy reliability, enhance the state’s economy, and protect public health and safety” (PRC Section 25301[a]). This work culminated in the Integrated Energy Policy Report (IEPR).

CEC adopts an IEPR every two years and an update every other year. The 2021 IEPR is the most recent IEPR. The 2021 IEPR provides a summary of priority energy issues currently facing the State, outlining strategies and recommendations to further the State’s goal of ensuring reliable, affordable, and environmentally responsible energy sources. The report contains an assessment of major energy trends and issues within California’s electricity, natural gas, and transportation fuel sectors. The report provides policy recommendations to conserve resources, protect the environment, ensure reliable, secure, and diverse energy supplies, enhance the state’s economy, and protect public health and safety. Topics covered in the 2021 IEPR include building decarbonization, coordination between state energy agencies, decarbonizing the State’s natural gas system, increasing transportation efficiencies, improving energy reliability and an assessment of the California Energy Demand Forecast (CEC 2022).

Assembly Bill 1007: State Alternative Fuels Plan

AB 1007 (Chapter 371, Statutes of 2005) required CEC to prepare a state plan to increase the use of alternative fuels in California. CEC prepared the State Alternative Fuels Plan in partnership with CARB and in consultation with other state, federal, and local agencies. The plan presents strategies and actions California must take to increase the use of alternative nonpetroleum fuels in a manner that minimizes the costs to California and maximizes the economic benefits of in-state production. The plan assessed various alternative fuels and developed fuel portfolios to meet California’s goals to reduce petroleum consumption, increase alternative fuel use, reduce greenhouse gas (GHG) emissions, and increase in-state production of biofuels without causing a significant degradation of public health and environmental quality.

AB 1279 and 2022 Scoping Plan for Achieving Carbon Neutrality

On September 16, 2022, the State legislature passed AB 1279 which codified stringent emissions targets for the State of achieving carbon neutrality and an 85 percent reduction in 1990 emissions level by 2045. CARB released the Final 2022 Scoping Plan for Achieving Carbon Neutrality (2022 Scoping Plan) on November 16, 2022, as also directed by AB 1279 (CARB 2022). The 2022 Scoping Plan traces the pathway for the State to achieve its carbon neutrality and an 85 percent reduction in 1990 emissions goal by 2045 using a combined top down, bottoms up approach using various scenarios. CARB adopted the 2022 Scoping Plan on December 16, 2022.

3.6.2 Discussion

- a) **Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?**

Less-than-Significant Impact. Energy would be consumed during Project construction to operate and maintain construction equipment, transport construction materials, and for worker commutes. Levels of construction-related energy consumption by the Project were calculated using the California Emissions Estimator Model Version 2022.1.1.21 and from fuel consumption factors in the EMFAC and OFFROAD models (see Appendix A for detailed calculations). An estimated 11,455 gallons of gasoline and 3,104 gallons of diesel would be consumed during Project construction, accounting for both onsite equipment use and offsite vehicle travel. This one-time energy expenditure required to construct the Project would be nonrecoverable. The energy needs for Project construction would be temporary and would not require additional capacity or increase peak or base period demands for electricity or other forms of energy.

Because maintenance activities associated with the Project would be similar to those required for the existing power line, the Project would not substantially increase the level of operational vehicle trips to the alignment. Thus, the Project would not consume additional energy during operation. Therefore, the Project would not result in an inefficient, wasteful, or unnecessary consumption of energy resources. This impact would be **less than significant**, and no mitigation would be required.

- b) **Conflict with or obstruct a state or local plan for renewable energy or energy efficiency.**

Less-than-Significant Impact. As discussed above, the Project would not result in inefficient, wasteful, or unnecessary consumption of energy resources. Furthermore, as discussed above under Section 3.6.1, "Environmental Setting," SMUD has approved its 2030 Zero Carbon Plan, which is currently on target to meet its goal by 2026 (SMUD 2023). SMUD's zero carbon goals exceed the statewide goal of decarbonization by 2045. Because the Project has been developed with the goals of the 2030 Zero Carbon Plan in mind and would not affect the current or future portfolio of renewable energy resources (i.e., biomass combustion, geothermal, small scale hydroelectric, solar, and wind), the Project would not conflict with or obstruct a state or local plan for renewable energy or energy efficiency. The Project would result in a **less-than-significant** impact, and no mitigation would be required.

3.7 Geology and Soils

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
VII. Geology and Soils. Would the project:				
a) Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? (Refer to California Geological Survey Special Publication 42.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994, as updated), creating substantial direct or indirect risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.7.1 Environmental Setting

Geology

The Project alignment is situated in the northwestern portion of Sacramento County, California, within the central portion of the Sacramento Valley. The Sacramento Valley represents the northern portion of the Great Valley geomorphic province of California, which is bordered on the east by the foothills of the Sierra Nevada geomorphic province and on the west by the Coast Range geomorphic province. The Great Valley is an asymmetrical trough approximately 400 miles long and 40 miles wide forming the broad valley along the axis of California. Erosion of the Coast Range and the Sierra Nevada has generated alluvial, overbank, and localized lacustrine sediments as thick as 50,000 feet. Subsequent deformation has folded these sediments into an asymmetrical syncline. Along the boundaries of the Sacramento Valley basin, these sediments

decrease in thickness to the east and overlap older, alluvial and channel deposits associated with previous alignments of the American River and at greater depth, metamorphic terrain and crystalline basement rock of the Sierra Nevada (DOC 2002).

The Project alignment is located along Winters Street, Dean Street, Patrol Road, Ascot Avenue, 20th Street, and Elkhorn Boulevard in Sacramento County, California. The topography of the alignment is relatively flat. Geologic mapping shows the near-surface soils within the Project area consist primarily of Holocene and Pleistocene basin deposits (UCMP 2024). These basin deposits are characterized by fine sands, silts, and clays and are consistent. These more recent alluvium deposits are generally underlain by Pleistocene-age Riverbank formation (UCMP 2024).

Groundwater depths in the vicinity of the Project alignment are fairly deep and range between 105 to 125 feet below the ground surface based on monitored wells within the Project vicinity (DWR 2024).

Seismicity

The Great Valley is bounded on the west by the Great Valley fault zone and the Coast Ranges and on the east by the Foothills fault zone and the Sierra Nevada. Relatively few faults in the Great Valley have been active during the last 11,700 years. The closest faults to the Project alignment with evidence of displacement during Holocene time are the Dunnigan Hills Fault (approximately 22 miles to the northwest) and the Deadman Fault (approximately 23 miles to the northeast) (DOC 2024b). In general, active faults are located along the western margin of the Central Valley (e.g., the Great Valley Fault) and within the Coast Ranges (Jennings 1994).

Substantial historic seismicity in the region includes the April 19, 1892 Vacaville earthquake, which had an estimated magnitude of 6.6 along with significant seismicity associated with the San Andreas fault system (e.g. 1906 San Francisco Earthquake and 1868 Hayward Earthquake) and more recent 2014 South Napa Earthquake which had an estimated magnitude of 6.0 (Sacramento County 2010).

According to the California Geological Survey Earthquake Shaking Potential for California, the Sacramento region is projected to experience lower levels of shaking less frequently, due to the regions distance from known, active faults. However, very infrequent earthquakes could still cause strong shaking in the Sacramento region (DOC 2016). The occurrence of liquefaction during an earthquake can potentially cause reduction in or loss of shear strength, seismically induced settlements, formation of boils, or lateral spreading of the liquefied soil. In order for liquefaction of soils due to ground shaking to occur, subsurface soils must be in a relatively loose state, soils must be saturated, soils must be sand like (e.g. non-plastic or of very low plasticity), and the ground motion is of sufficient intensity to act as a triggering mechanism.

Soils

A review of U.S. Natural Resources Conservation Service (NRCS) soil survey data indicates that the Project alignment is composed of the Fiddyment fine sandy loam, Fiddyment-Urban land complex, Madera loam, San Joaquin fine sandy loam, San Joaquin silt loam, San Joaquin-Urban land complex, Urban land-Xerarents-Fiddyment complex, Xerarents-San Joaquin complex, and Xerarents-Urban land-San Joaquin complex (NRCS 2024). The soils that make up the Project alignment include soils that are generally well drained and have a high permeability quality that allows water and air to move freely through it.

3.7.2 Discussion

- a) **Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:**
- i. **Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? (Refer to California Geological Survey Special Publication 42.)**

No Impact. Surface ground rupture along faults is generally limited to a linear zone a few yards wide. There are no Alquist-Priolo Earthquake Fault Zones within Sacramento County (DOC 2024c). Consequently, the Project is not expected to expose people or structures to adverse effects caused by the rupture of a known fault. There would be **no impact** associated with fault rupture, and no mitigation would be required.

ii. Strong seismic ground shaking?

Less-than-Significant Impact. The Project alignment is located near the center of the Sacramento Valley, which has historically experienced a low level of seismic ground shaking. The California Geological Survey has identified the region as an area of low to moderately low earthquake shaking potential (DOC 2016).

Depending on the strength of ground shaking, it is possible that structures in the area could be damaged during such an event. However, Project construction would conform to the standards contained within California Building Code (CBC) Title 24, which identifies specific design requirements to reduce damage from strong seismic ground shaking, ground failure, landslides, soil erosion, and expansive soils. This impact would be **less than significant**, and no mitigation would be required.

iii. Seismic-related ground failure, including liquefaction?

Less-than-Significant Impact. Soil liquefaction most commonly occurs when ground shaking from an earthquake causes a sediment layer saturated with groundwater to lose strength and take on the characteristics of a fluid, thus becoming similar to quicksand. Liquefaction may also occur in the absence of a seismic event, when unconsolidated soil above a hardpan becomes saturated with water. Factors determining liquefaction potential are the soil type, the level and duration of seismic ground motions, the type and consistency of soils, and the depth to groundwater. Loose sands, peat deposits, and unconsolidated Holocene-age sediments are the most susceptible to liquefaction, while clayey silts, silty clays, and clays deposited in freshwater environments are generally stable under the influence of seismic ground shaking.

Older deposits, including the Pleistocene Riverbank formation which underlies the Project alignment, are not generally susceptible to liquefaction; however, younger loose fluvial deposits overlying the Riverbank formation present a risk of liquefaction (UCMP 2024). As discussed above, the water table within the Project alignment is deep, decreasing the potential for liquefaction.

Active seismic sources are a relatively long distance away and the Project alignment is located on flat land with a gradual incline from 53 feet to 86 feet in elevation. Furthermore, the Project

alignment is generally underlain by stable Pleistocene-age Riverbank formation sediments and has low shaking hazard potential. However, in the unlikely event of a very strong earthquake, widespread liquefaction could occur resulting in substantial damage. The Project would comply with CBC Title 24, which includes specific design requirements to reduce damage from ground failure. Therefore, the potential of adverse effects involving ground failure, including liquefaction is low and this impact would be ***less than significant***, and no mitigation would be required.

iv. Landslides?

No Impact. The Project alignment is located in a flat area; there is no risk of landslides in such terrain. Consequently, the Project would not expose people or structures to landslides and there would be ***no impact*** associated with landslide risk, and no mitigation would be required.

b) Result in substantial soil erosion or the loss of topsoil?

Less-than-Significant Impact. As discussed in Section 3.7.1, NRCS soil survey data indicates that the Project alignment includes soils that are well drained and have a high permeability rate for both wind and water, thereby reducing erosion hazards. Construction activities would involve grading, excavating, moving, filling, and temporary stockpiling of soil within the Project alignment. Construction activities would remove vegetative cover and existing paving and would expose site soils to erosion via wind in the summer months, and to surface water runoff during storm events. Sediment from construction activities could be transported within stormwater runoff and could drain to off-site areas and degrade local water quality.

However, the Project would be subject to the National Pollutant Discharge Elimination System (NPDES) Statewide construction general NPDES permit for stormwater runoff (Order WQ 2022-0057–DWQ and NPDES No. CAS000002 [Construction General Permit]). In compliance with the Construction General Permit, a Stormwater Pollution Prevention Plan (SWPPP) would be developed for the Project by a qualified SWPPP professional. The objectives of the SWPPP are to identify pollutant sources that may affect the quality of stormwater associated with construction activity and identify, construct, and implement stormwater pollution prevention measures to reduce pollutants in stormwater discharges during and after construction. Therefore, the SWPPP would include a description of potential pollutants, the management of dredged sediments, and hazardous materials present on the site during construction (including vehicle and equipment fuels). The SWPPP would also include details of how BMPs for sediment and erosion control would be implemented. Implementation of the SWPPP would comply with state and federal water quality regulations.

Furthermore, and as noted above, the Project would be constructed in accordance with CBC standards. These standards require that appropriate soil and geotechnical reports be prepared and that site-specific engineering design measures, including those related to general site grading, clearing and grubbing, soil stabilization, and general erosion control, be implemented to appropriately minimize potential adverse impacts related to erosion within the disturbance areas of the Project alignment. This, coupled with preparation of a site-specific SWPPP, would minimize potential adverse impacts related to erosion and loss of topsoil within the Project alignment. Impacts would be ***less than significant***, and no mitigation would be required.

- c) **Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?**

Less-than-Significant Impact. As described previously, there are no steep slopes within the Project area, and therefore there would be no potential for on- or off-site landslides. Near surface soils encountered in the Project alignment have a substantial portion of sand and silt and are, therefore, not anticipated to be moisture sensitive. Low soil moisture content, deep groundwater levels, and silty and sandy soils are less likely to become unstable and would not result in lateral spreading, subsidence, liquefaction, or collapse. Therefore, soils within Project alignment would be suitable for the Project to perform excavation and auguring. Following construction activities each day, the open trenches would be covered with reinforced concrete subsurface structure construction methods. Therefore, this impact would be **less than significant**, and no mitigation would be required.

- d) **Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994, as updated), creating substantial direct or indirect risks to life or property?**

Less-than-Significant Impact. Expansive soils shrink and swell as a result of moisture changes. These volume changes can result in damage over time to building foundations, underground utilities, and other subsurface facilities and infrastructure if they are not designed and constructed appropriately to resist the damage associated with changing soil conditions. A review of NRCS (2024) soil survey data indicates that the type of soils located within the Project alignment are generally composed of soil types with a low shrink-swell potential. Additionally, power line poles would be set ranging from 9 to 20 below ground and the holes would be backfilled with a cementitious slurry mixture or compacted aggregate base to the roadway subgrade elevation to reduce the risk of expansive soils. Therefore, this impact would be **less than significant**, and no mitigation would be required.

- e) **Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?**

No Impact. The Project would not require the use of septic tanks or alternative wastewater disposal systems. Thus, the Project would have **no impact** related to soil suitability for use of septic tanks or alternative wastewater disposal systems, and no mitigation would be required.

- f) **Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?**

Less than Significant with Mitigation Incorporated. Project-related earthmoving activities would occur primarily in the Pleistocene-age Riverbank Formation. Because numerous vertebrate fossils have been recovered from the Riverbank Formation in northern and central California, including localities that are close to the Project alignment, this formation is considered to be paleontologically sensitive. Therefore, earthmoving activities in the Riverbank Formation could result in accidental damage to or destruction of previously unknown unique paleontological resources. This impact would be potentially significant.

Mitigation Measure 3.7-1: Paleontological Monitoring for Deep Excavations

Before the start of any excavation activities, SMUD shall retain a qualified scientist (e.g., geologist, biologist, paleontologist) to train all construction personnel involved with earth-moving activities, including the site superintendent, regarding the possibility of encountering fossils, the appearance and types of fossils likely to be seen during construction, and proper notification procedures to take if fossils are encountered. Training on paleontological resources shall also be provided to all other construction workers but may use a video recording of the initial training and/or written materials rather than in-person training.

If any paleontological resources (fossils) are discovered during grading or construction activities along the Project alignment, work shall be halted immediately within 50 feet of the discovery, and the County Planning Division shall be immediately notified. SMUD shall retain a qualified paleontologist to evaluate the resource and prepare a recovery plan in accordance with Society of Vertebrate Paleontology guidelines. The recovery plan may include but is not limited to a field survey, construction monitoring, sampling and data recovery procedures, museum storage coordination for any specimen recovered, and a report of findings. Recommendations in the recovery plan that are determined by the County to be necessary and feasible shall be implemented by SMUD before construction activities resume in the area where the paleontological resources were discovered.

Implementation of Mitigation Measure 3.7-1 would ensure that excavations are completed in a manner that preserves potential paleontological resources. With implementation of this mitigation measure, the potential for implementation of on-site improvements to directly or indirectly destroy a unique paleontological resource would be reduced to a **less-than-significant** level.

3.8 Greenhouse Gas Emissions

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
VIII. Greenhouse Gas Emissions. Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3.8.1 Environmental Setting

Certain gases in the earth’s atmosphere, classified as greenhouse gases (GHGs), play a critical role in determining the earth’s surface temperature. Solar radiation enters the earth’s atmosphere from space. Most solar radiation passes through GHGs; however, infrared radiation is absorbed by these gases. As a result, radiation that otherwise would have escaped back into space is instead “trapped,” resulting in a warming of the atmosphere. This phenomenon, known as the greenhouse effect, is responsible for maintaining a habitable climate on earth.

Prominent GHGs contributing to the greenhouse effect are carbon dioxide (CO₂), methane, nitrous oxide, hydrofluorocarbons perfluorocarbons and sulfur hexafluoride. GHG emissions contributing to global climate change are attributable, in large part, to human activities associated with on-road and off-road transportation, industrial/manufacturing, electricity generation by utilities and consumption by end users, residential and commercial onsite fuel usage, and agriculture and forestry. It is “extremely likely” that more than half of the observed increase in global average surface temperature from 1951 to 2010 was caused by the anthropogenic increase in GHG concentrations and other anthropogenic forcing together (IPCC 2014: 5).

Climate change is a global problem. GHGs are global pollutants because even local GHG emissions contribute to global impacts. GHGs have long atmospheric lifetimes (one to several thousand years) and persist in the atmosphere long enough to be dispersed around the globe. Although the lifetime of any particular GHG molecule is dependent on multiple variables and cannot be determined with any certainty, it is understood that more CO₂ is emitted into the atmosphere than is sequestered by ocean uptake, vegetation, and other forms of sequestration (IPCC 2013: 467).

Federal Plans, Policies, Laws, and Regulations

In October 2012, the EPA and the National Highway Traffic Safety Administration (NHTSA), on behalf of the US Department of Transportation DOT, issued final rules to further reduce GHG emissions and improve CAFE standards for light-duty vehicles for model year (MYs) 2017 and beyond (77 Federal Register [FR] 62624). The most recent CAFE standards are for MYs 2024-2026. The amended CAFE standards increase in stringency for both passenger cars and light trucks, by 8 percent per year for MYs 2024–2025, and by 10 percent per year for MY 2026. The NHTSA currently projects that the standards will require, on an average industry fleet-wide basis, roughly 49 miles per gallon (mpg) in MY 2026 (49 CFR 531 et seq.).

*State Plans, Policies, Laws, and Regulations**Statewide GHG Emission Targets and the Climate Change Scoping Plan*

On September 16, 2022, the State legislature passed AB 1279 which codified stringent emissions targets for the State of achieving carbon neutrality and an 85 percent reduction in 1990 emissions level by 2045 (this superseded the previous GHG emissions reduction target set forth by EO S-3-05). CARB released the 2022 Scoping Plan on November 16, 2022 as also directed by AB 1279 (CARB 2022b). The 2022 Scoping Plan traces the pathway for the State to achieve its carbon neutrality and an 85 percent reduction in 1990 emissions goal by 2045 using a combined top-down and bottom-up approach using various scenarios. CARB adopted the 2022 Scoping Plan on December 16, 2022.

SB X1-2 of 2011 requires all California utilities to generate 33 percent of their electricity from renewables by 2020. SB 100 of 2018 sets a three-stage compliance period requiring all California utilities, including independently owned utilities, energy service providers, and community choice aggregators, to generate 52 percent of their electricity from renewables by December 31, 2027; 60 percent by December 31, 2030; and 100 percent carbon-free electricity by December 31, 2045. On September 16, 2022, SB 1020 was signed into law. This bill supersedes the goals of SB 100 by requiring that eligible renewable energy resources and zero-carbon resources supply 90 percent of all retail sales of electricity to California end-use customers by December 31, 2035, 95 percent of all retail sales of electricity to California end-use customers by December 31, 2040, 100 percent of all retail sales of electricity to California end-use customers by December 31, 2045, and 100 percent of electricity procured to serve all state agencies by December 31, 2035.

Local

SMAQMD is the primary agency responsible for addressing air quality concerns in all of Sacramento County. SMAQMD recommends methods for analyzing project-generated GHG emissions in CEQA analyses and offers multiple potential GHG reduction measures for land use development projects. SMAQMD developed thresholds of significance to provide a uniform scale to measure the significance of GHG emissions from land use and stationary source projects in compliance with CEQA to align with the statewide GHG emissions target of 40 percent below 1990 levels by 2030 with the passage of SB 32 for land use development projects (SMAQMD 2021).

SMAQMD's newly published guidance to address GHGs was released in February 2021. SMAQMD recommends that a 1,100-MTCO₂e be applied as a bright-line threshold of significance for evaluating construction emissions of GHGs.

In their guidance regarding operational GHG emissions, SMAQMD includes an operational GHG screening levels table which shows the size of development (by land use type) at which 1,100 metric tons (MT) of GHG per year would not be exceeded. If a project is less than or equal to 1,100 MT of GHG per year and implements the District's tier 1 operational GHG Best Management Practices, the District's operational GHG threshold of significance would not be exceeded. If project emissions exceed the District's GHG operational screening levels table, the Project would then apply the District's tier 1 and tier 2 Best Management Practices to reduce GHG emissions from the Project. These thresholds and BMPs only apply to land use development projects (e.g., housing, industrial, and agricultural land uses) and because the

proposed project would not be a land use development project, SMAQMD operational GHG thresholds are not used in this analysis.

Sacramento County Climate Action Planning

On November 9, 2011, the County of Sacramento adopted the Climate Action Plan – Strategy and Framework document, which presented a framework for reducing GHG emissions and developing the second phase of the Climate Action Plan (CAP). The County is currently working to develop the Sacramento County Climate Action Plan 2022 (2022 CAP) to address communitywide emissions. The County is in the process of reviewing the 2022 CAP but it has not yet been adopted and is therefore not applicable to this project. Additionally, because crucial laws and regulations, such as AB 1279 and EO B-48-18, have been passed and implemented since the development of the 2011 CAP (the next most-recent iteration of the County’s CAP), the GHG reduction goals and strategies within the 2011 CAP have become obsolete. For this reason, the 2011 CAP is not used in this analysis.

City of Sacramento Climate Action and Adaptation Plan

The City of Sacramento’s first CAP was adopted in 2012 and served as a stand-alone document that was intended to guide City efforts to reduce greenhouse gas emissions and adapt to climate change. In 2015 the CAP was incorporated into the 2035 General Plan. The City of Sacramento is currently preparing the Sacramento Climate Action & Adaptation Plan (CAAP), in tandem with the 2040 General Plan Update process. The CAAP is currently in the public review process and has not yet been adopted. Additionally, because important laws and regulations, such as AB 1279 and EO B-48-18, have been passed and implemented since the adoption of the CAP into the 2035 General Plan, the GHG reduction goals and strategies within the CAP are not reflective of the most recent State GHG reduction goals. For this reason, the CAP is not used in this analysis.

2030 Zero Carbon Plan

SMUD approved its 2030 Zero Carbon Plan in April 2021. The 2030 Zero Carbon Plan consists of a road map to achieve a zero-carbon power supply by 2030, which exceeds statewide goals to meet zero carbon power supplies by 2045 (see “AB 1279 and 2022 Scoping Plan for Achieving Carbon Neutrality,” below). The plan includes solar power, large scale thermal storage, microgrids and fuel cells resources, and is designed to allow for adjustments to the overall scheme, as technological research and progress affect carbon emissions without compromising reliability or affordability (SMUD 2021). Currently, SMUD is forecasting to meet the goals of the 2030 Zero Carbon Plan in 2026 (SMUD 2023).

3.8.2 Discussion

- b) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?**

Less-than-Significant Impact. The issue of global climate change is inherently a cumulative issue, because the GHG emissions of an individual project cannot be shown to have any material effect on global climate. Thus, the level of GHG emissions associated with implementation of the Project is addressed as a cumulative impact.

GHG emissions associated with implementation of the Project would be generated during Project construction. The Project would not increase generation of GHG emissions during operations as operational activities would be substantially similar to processes involving the existing 12 kV power line.

As stated in Section 3.3 “Air Quality,” the model prepared for this analysis represents a condensed construction schedule (i.e., assumes that construction would occur continuously) because the frequency and duration of breaks in construction activity are not known. Therefore, the model results represent a conservative estimation of the emissions that would occur during construction. Project-related construction activities would result in the generation of GHG emissions from the use of heavy-duty off-road construction equipment and vehicle use during worker commute. Construction activities associated with the Project would require the use of a Digger Derrick truck, two large bucket trucks, two heavy duty pick-up trucks a semi-truck to haul posts from the off-site holding area to the location they are to be placed, a cement truck, and hauling trucks to haul soil off-site. Construction-related emissions of GHGs were estimated using CalEEMod Version 2022.1.1.21. A detailed discussion of the major construction activities and model assumptions is provided in Section 3.3, “Air Quality.” Model outputs are included in Appendix A.

Total construction activity would result in emissions of 57 MT of carbon dioxide equivalent (MTCO_{2e}). SMAQMD has established quantitative significance thresholds for evaluating GHG emissions. For construction of all types, the established significance threshold is 1,100 MTCO_{2e} annually (SMAQMD 2021). Because Project construction is projected to emit 57 MTCO_{2e}, which is below the threshold of 1,100 MTCO_{2e}, construction-related GHG emissions would not exceed SMAQMD’s threshold of significance.

Operation of the Project would include occasional vehicle trips for maintenance that would be of similar type and extent as under the existing conditions, thus operation of the Project would not substantially increase emissions of GHGs. Furthermore, as stated above, SMAQMD operational GHG thresholds only apply to land use development projects. Because the Project would not be a land use development project, SMAQMD operational GHG thresholds are not applied to this project.

Because GHG emissions associated with construction of the Project would not exceed SMAQMD thresholds and operational GHGs associated with occasional maintenance trips would be minimal, this impact would be **less than significant**, and no mitigation would be required.

b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?

Less-than-Significant Impact. SMAQMD’s GHG thresholds were developed in consideration of nearer-term statewide GHG reduction goals (i.e., a 40 percent reduction from the 1990 statewide inventory by 2030). This goal is intended to maintain progress towards the GHG reduction goal of the 2022 Scoping Plan which is to achieve an 85 percent reduction in 1990 emissions goal by 2045. Because the Project would be constructed prior to 2030 and does not introduce substantial operational emissions (i.e., minimal new vehicle trips associated with maintenance activities) the Project emissions would further the state’s long-term GHG reductions goals. Based on the analysis above, GHG emissions associated with the Project would be consistent with state GHG reduction goals because they would not exceed the

SMAQMD-recommended threshold of 1,100 MTCO₂e. Furthermore, as discussed above under Section 3.8.1, “Environmental Setting,” SMUD has approved its 2030 Zero Carbon Plan, which is currently on target to meet its goal of zero carbon emissions by 2026 (SMUD 2023). SMUD’s zero carbon goals exceed the statewide goal of decarbonization by 2045. Because the Project has been developed with the goals of the 2030 Zero Carbon Plan in mind and would not affect the current or future portfolio of renewable energy resources (i.e., biomass combustion, geothermal, small scale hydroelectric, solar, and wind), the Project would not conflict with or obstruct a state or local plan for renewable energy or energy efficiency. Therefore, this impact would be ***less than significant***, and no mitigation would be required.

3.9 Hazards and Hazardous Materials

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
IX. Hazards and Hazardous Materials. Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and/or accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

3.9.1 Environmental Setting

The State Water Resources Control Board’s (SWRCB) GeoTracker website provides data relating to leaking underground storage tanks (USTs) and other types of soil and groundwater contamination, along with associated cleanup activities. GeoTracker did not identify any hazards related to USTs and other types of contamination directly along the Project alignment. Several sites along Patrol Road were identified as active cleanup sites; however, all sites are currently eligible for closure and no further remediation is warranted (SWRCB 2024).

The California Department of Toxic Substances Control’s Envirostor website, which provides data related to hazardous materials spills and clean ups, also did not identify any existing hazards related to any cleanup sites within the Project alignment for Phase 2A and Phase 2B (DTSC 2024).

A majority of the alignment for Phase I runs adjacent to, or within the boundaries of the McClellan Business Park, which was historically a part of the McClellan Air Force Base (AFB).

McClellan AFB was an active military facility from 1939 to 2001. McClellan AFB was identified for closure in 2001 under the Base Realignment and Closure Act (BRAC) and soil and groundwater remediation activities have been conducted under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The area comprising McClellan Business Park has been transferred to Sacramento County and its redevelopment partner McClellan Business Park, LLC pursuant to CERCLA Section 120 (h) (3) (A), (B), and (C). Parcels transferred by deed from the Air Force to the County of Sacramento and then to McClellan Business Park are referred to as “Transfer Parcels.” Pursuant to a Memorandum of Agreement between McClellan Business Park, California Environmental Protection Agency, Department of Toxic Substances Control, and the Regional Water Quality Control Board, Central Valley Region, as well as deed restrictions identified as components of remedial activities completed on certain portions of McClellan Business Park, a “Soils Management Manual for Transfer Parcels” (Tetra Tech 2014) has been prepared for all Transfer Parcels that comprise McClellan Business Park. The McClellan Park Soils Management Manual for Transfer Parcels program identifies proper soil handling procedures and details an encroachment permit process which must be followed before any excavation, digging or other disruption occurs within the boundaries of the McClellan Business Park transfer parcels.

There is one public school adjacent to the Project alignment, Vineland Elementary School, located at the northeast corner of the intersection of “I” Street and 20th Street. Two public schools are located within one-quarter mile of the Project alignment, Bell Avenue Elementary School at 1900 Bell Avenue and Vista Nueva Career and Technology High School at 2035 “N” Street.

Sacramento McClellan Airport (former site of McClellan Air Force Base) is a privately owned public-use airport located adjacent to the easternmost edge of the Project alignment. The Project alignment is located within the airport’s Area of Influence. The area of the Project alignment is located within the Overflight Zone as well as the Approach/Departure Zone in the northern and southern terminus (SACOG 1987:50).

3.9.2 Discussion

a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

Less-than-Significant Impact. Construction activities would involve the use of hazardous materials, such as fuels, solvents, gasoline, asphalt, and oil. The use and storage of these materials could potentially expose and adversely affect workers, the public, or the environment due to improper handling or use, accident, environmentally unsound disposal methods, fire, explosion, or other emergencies, resulting in adverse health or environmental effects. Project operation would involve the use of electrical transmission lines, similar to the existing conditions, and would not involve the use of hazardous materials.

The California Highway Patrol and Caltrans are responsible for enforcing regulations related to the transportation of hazardous materials on local roadways, and the use of these materials is regulated by the California Department of Toxic Substances Control (DTSC), as outlined in CCR Title 22. SMUD and its construction contractors would be required to comply with the California Environmental Protection Agency’s (Cal EPA’s) Unified Program, which protects Californians from hazardous waste and hazardous materials by ensuring consistency throughout the state regarding the implementation of administrative requirements, permits, inspections, and

enforcement at the local regulatory level. Regulated activities would be managed by the Sacramento County Environmental Management Department, which is the designated Certified Unified Program Agency, and in accordance with the regulations included in the Unified Program (e.g., hazardous materials release response plans and inventories, California Uniform Fire Code hazardous material management plans and inventories). Such compliance would reduce the potential for accidental release of hazardous materials during Project construction.

The Project would be required to comply with existing laws and regulations regarding the transportation, use, and disposal of hazardous materials. These regulations are specifically designed to protect the public health and the environment and must be adhered to during Project construction and operation. Compliance with applicable regulations would ensure that this impact would be **less than significant**, and no mitigation would be required.

- b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and/or accident conditions involving the release of hazardous materials into the environment?**

Less-than-Significant Impact. As discussed above, there are no existing hazardous conditions within the Project alignment and no hazardous materials would be used during Project operation. Project construction, however, would involve the use of hazardous materials, which could be accidentally upset or released into the environment. Potential hazardous materials that could be used include asphalt and other construction materials. As discussed in item a) above, compliance with applicable laws and regulations regarding the transport, use, and disposal of hazardous materials would ensure that the Project would result in a **less-than-significant** impact related to upset or accidental release of hazardous materials, and no mitigation would be required.

- c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?**

Less-than-Significant Impact. As discussed above, there is one public school adjacent to the Project alignment and two public schools within one-quarter mile of the Project alignment. Small quantities of hazardous materials such as fuels, oils, and lubricants would be used during Project construction. The Project would be required to comply with existing regulations associated with the transport, use, and disposal of hazardous materials. Compliance with applicable regulations regarding hazardous materials would reduce the potential for hazardous emissions within one-quarter mile of existing schools. Therefore, this impact would be **less than significant**, and no mitigation would be required.

- d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code §65962.5 and, as a result, would it create a significant hazard to the public or the environment?**

Less than Significant with Mitigation Incorporated. Government Code Section 65962.5 requires that DTSC compile and maintain a list of hazardous waste facilities subject to corrective action, land designated as hazardous waste property, or hazardous waste disposals on public land. This list is known as the Cortese List, which can be accessed on Cal EPA's website. As discussed above, a majority of Phase I of the Project is located adjacent to or within the boundaries of the former McClellan AFB, which has undergone remediation activities and portions of which are subject to deed restrictions, including soil management procedures. Hazardous waste, hazardous substances, and/or petroleum hydrocarbons are known to have

been disposed of in various locations throughout the former McClellan AFB by the Air Force. Contaminated soils disturbed during construction activities may expose construction workers and the general public to known hazardous materials associated with previous land uses on McClellan AFB. This impact would be potentially significant.

Mitigation Measure 3.9-1: Obtain an Encroachment Permit from McClellan Business Park

Prior to Project construction within or adjacent to the McClellan Business Park (Phase 1), SMUD shall, as necessary, obtain an encroachment permit from McClellan Park. The procedures for obtaining the encroachment permit will be consistent with the requirements set forth in the Soils Management Manual for Transfer Parcels (Tetra Tech 2014).

Implementation of Mitigation Measure 3.9-1 would reduce impacts associated with exposure of construction workers and the public to a Cortese-Listed hazardous materials site to a **less-than-significant** level because procedures outlined in the McClellan Park Soils Management Manual for Transfer Parcels would be followed and an encroachment permit from McClellan Park would be obtain, if necessary. These procedures require construction activities to be consistent with proper soil handling procedures for excavation, digging or other disruptions that occur within the boundaries of the McClellan Business Park transfer parcels, which would minimize the risk of exposure of construction workers and the public to known hazardous materials found within contaminated soils.

- e) **For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?**

Less-than-Significant Impact. Sacramento McClellan Airport is located adjacent to the northern and eastern border of the Project alignment. A small portion of the Project alignment along Elkhorn Boulevard is within the Approach/Departure Zone of the airport's safety zones (SACOG 1987:50). The airport's comprehensive land use plan identifies prohibited uses within the various safety zones (SACOG 1987:46-49). While installing power lines are not specifically listed in the table of compatibility guidelines, the list of allowed and prohibited uses and features generally center around limiting large gatherings of people, structures that might interfere with aircraft navigation, and prohibiting flammable or explosive features to be located above-ground (SACOG 1987:46-49). Additionally, the Project would comply with Federal Aviation Regulations (FAA) Part 77, which prohibits construction that is more than 200 feet above ground level within the airport's area of influence (Caltrans 2011). While the Project alignment includes land within the Approach/Departure Zone of Sacramento McClellan Airport, the Project would not conflict with the safety requirements of the airport's comprehensive land use plan. Therefore, this impact would be **less than significant**, and no mitigation would be required.

- f) **Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?**

Less-than-Significant Impact. Project construction would require temporary lane closures and other roadway effects on Winters Street, Dean Street, Patrol Road, Ascot Avenue, 20th Street, and Elkhorn Boulevard that could interfere with or slow down emergency vehicles, temporarily increasing response times and impeding existing services on these roadways. However, any

Project activities that may involve public ROW would be required to obtain an encroachment permit from either Caltrans, the City, and/or the County of Sacramento. As part of this encroachment permit application, SMUD would be required to prepare and then later implement a traffic control plan, which would require the provision of temporary traffic controls and maintenance of emergency access during construction. Once Project construction is complete, all roads would be returned to their pre-construction state and Project operations would not interfere with emergency repose or evacuation plans. As a result, this impact would be ***less than significant***, and no mitigation would be required.

g) Expose people or structures, either directly or indirectly, to a significant risk of loss, injury, or death involving wildland fires?

No Impact. The Project is located in a developed area of Sacramento County that is not adjacent to wildlands, therefore implementation of the Project would not expose people or structures to a significant risk of loss, injury, or death involving wildland fires, including where wildlands are adjacent to urbanized areas. There would be ***no impact*** related to wildland fires, and no mitigation would be required.

3.10 Hydrology and Water Quality

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
X. Hydrology and Water Quality. Would the project:				
a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
i) Result in substantial on- or offsite erosion or siltation;	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ii) Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite;	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iii) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
iv) Impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3.10.1 Environmental Setting

Surface Water

Sacramento County lies mostly in the trough of the Sacramento Valley in the northern portion of the Central Valley of California. The county is bound on the east by the Sierra Nevada foothills and extends to the southwest into the Sacramento Delta. Dry Creek, a tributary watershed to the Natomas East Main Drainage Canal and ultimately American River, lies approximately 300 feet northwest from the Project alignment at the intersection of “Q” Street and 20th Street.

Groundwater

The Project alignment overlies the North American Subbasin, which encompasses approximately 342,000 acres in Sutter, Placer, and Sacramento Counties and is bounded by the American, Bear, Feather, and Sacramento rivers. The North American Subbasin includes five Groundwater Sustainability Agencies (GSAs) that have worked cooperatively to develop this

single Groundwater Sustainability Plan (GSP) covering the 535 square-mile subbasin that includes portions of Placer, Sacramento, and Sutter counties. The GSAs include: Reclamation District 1001 (RD 1001) GSA; Sacramento Groundwater Authority (SGA) GSA; South Sutter Water District (SSWD) GSA; Sutter County GSA; and West Placer GSA. The GSP includes the subbasin setting, a hydrogeological conceptual model, a comprehensive water budget, a basin-wide monitoring network, sustainable management criteria, and projects and management actions necessary to ensure the Subbasin's sustainability (Sacramento Groundwater Authority GSA, Reclamation District 1001 GSA, South Sutter Water District GSA, Sutter County GSA, West Placer GSA 2021).

Flooding

The Project alignment extends generally from a connection point approximately 140 feet south of the intersection of Winters Street and Rene Avenue, to the intersection of Q Street and 20th Street to the north, and the intersection of Elkhorn Boulevard and 34th Street to the east (see Figure 2-1). As depicted in Figure 3.10-1, portions of the Project alignment overlap with areas located within the 100-year Flood Zone and 500-year Flood Zone, which are defined as areas that have a 1 percent or 0.02 percent change of flooding each year, respectively (FEMA 2024).

3.10.2 Discussion

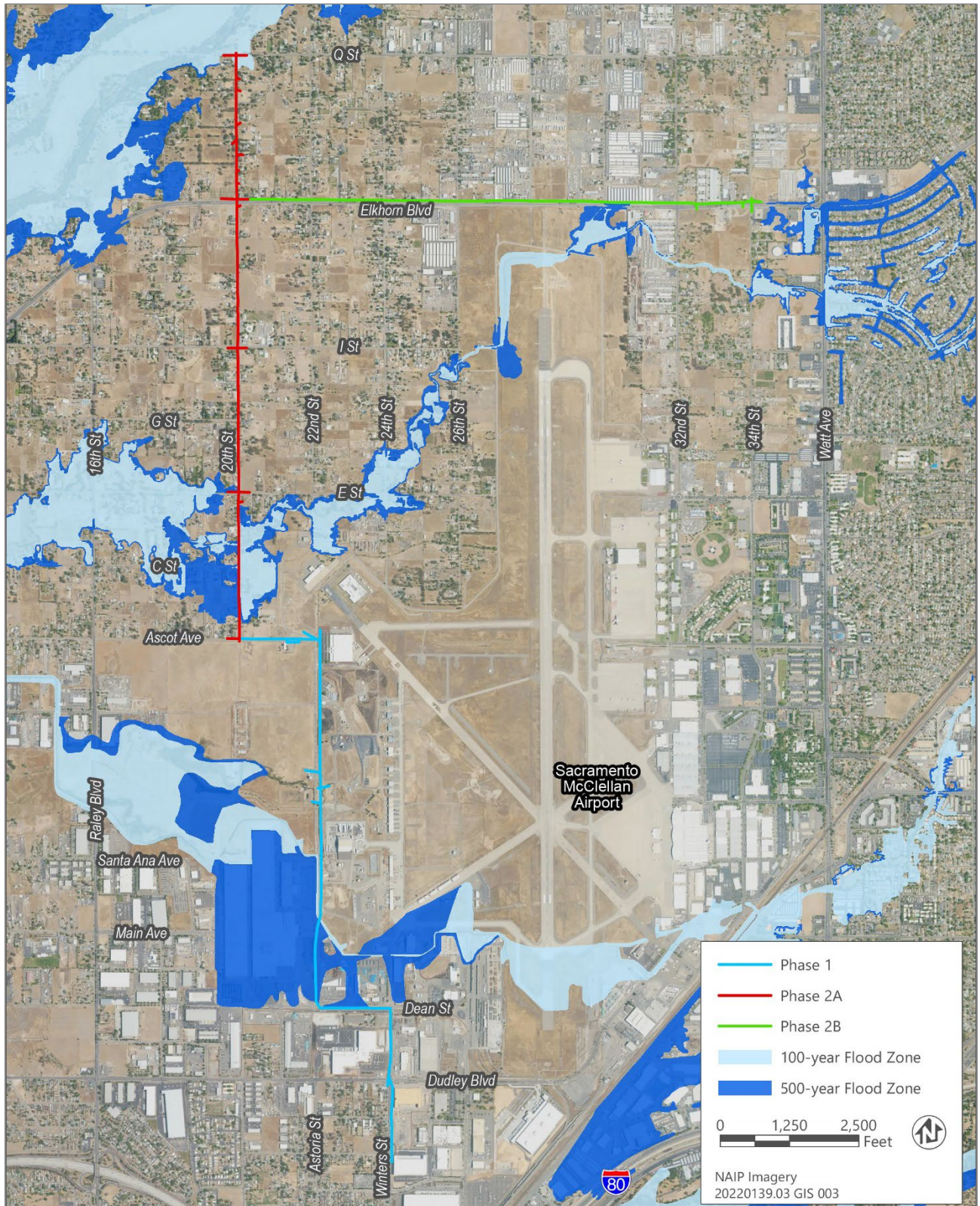
a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or groundwater quality

Less-than-Significant Impact. The Project would involve replacement and relocation of power line poles. Along the proposed alignment, pole spacing would be approximately 150-200 feet apart, or greater where space and terrain allows. Staging of poles would generally occur within existing paved and disturbed areas, as well as on truck beds within a single roadway lane. Once augers holes (3-foot diameter for wooden poles and 5-foot diameter for steel poles) have been established, a boom truck would be used to install individual poles, guided by one or more construction crews of approximately 5 people. With the pole in place, concrete would be used to secure the steel poles in place and rocks would be used to secure wooden poles.

Project construction activities would involve the excavation and movement of soil, which could temporarily increase erosion and siltation potential along the project alignment. If not properly controlled, these activities could accidentally discharge wastes into waterways through runoff. However, SMUD would comply with existing stormwater regulations, including the County's Stormwater Ordinance (Sacramento County Code Chapter 15.12), the City's Stormwater Management and Control Code, and the NPDES Regional MS4 Permit, which would necessitate the implementation and maintenance of on-site BMPs to control potential erosion and siltation and prevent discharges off-site. As noted above, the project alignment is partially located within both the City and the County of Sacramento and would comply with the respective code and ordinance depending on the pole location.

As the project would involve the disturbance of less than one acre (in total), preparation of a formal stormwater pollution and prevention plan (SWPPP) is not required, but SMUD would implement best management practices (BMPs) at each pole location in order to prevent/minimize erosion and control sediment. Should construction activities require additional area and the total area of disturbance may exceed one acre, SMUD would be subject to and comply with NPDES Statewide construction general permit for stormwater runoff (Order WQ-

2022-0057-DWQ and NPDES No. CAS000002 [Construction General Permit]), which would require preparation and implementation of a formal SWPPP. Additionally, SMUD would comply with the County of Sacramento Improvement Standards and Floodplain Management Ordinance, which ensures that the Project would not substantially increase the rate or amount of surface runoff in a manner that causes flooding or that exceeds stormwater system capacity. Therefore, with implementation of existing erosion and siltation control requirements, impacts to surface and groundwater quality would be ***less than significant*** and no mitigation is required.



Source: Data downloaded from FEMA in 2023; adapted by Ascent in 2024

Figure 3.10-1

Project Location

- b) **Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?**

Less-than-Significant Impact. As described above under a), concrete would be used to secure the steel poles in 5-foot diameter holes and rocks would be used to secure wooden poles in 3-foot diameter holes. While the use of stabilizing concrete would create new areas of impervious surfaces, it would not be substantial because poles would be placed approximately 150-200 feet apart, and the area paved would be limited to a maximum of 20 square feet per pole (i.e., 5-foot diameter auger holes would be completely filled with concrete). No water, including groundwater, would be used during operation of the Project. Therefore, impacts to groundwater recharge would be **less-than-significant** impact, and no mitigation would be required.

- c) **Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:**

- i) **Result in substantial on- or offsite erosion or siltation;**
- ii) **Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite;**
- iii) **Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or**
- iv) **Impede or redirect flood flows?**

Less-than-Significant Impact. The Project's construction activities would include soil excavation using an auger to establish adequate foundations for power pole installation. Abandoned poles would be cut at their base, with the existing foundations remaining in place. The Project would not change drainage systems in the surrounding area, and would overall reduce the number of poles along the alignment. Therefore, the existing drainage patterns along the Project alignment would not be substantially altered. This impact would be **less than significant**, and no mitigation measures are required.

- d) **In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?**

Less-than-Significant Impact. The Project alignment is at an inland location that is outside of any ocean-related tsunami zones and not within proximity of a water body that could create a risk of seiche. While the majority of the Project alignment is within an area with reduced flood risk (Zone X); however, portions overlap with the 100-year and 500-year flood plan and are considered to be with special flood hazard areas, and other flood hazards as depicted in Figure 3.10-1. However, the Project includes installation of steel and wooden poles that would support powerlines, along an existing power line alignment. Upon completion of the Project, the alignment would support few poles located at greater distances than under the existing conditions. Because the use type along the alignment would not change, the Project would not increase the risk of release of pollutants due to inundation of the Project alignment. This impact would be **less than significant**, and no mitigation is required.

e) **Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?**

Less-than-Significant Impact. Project construction would adhere to the City's water quality and watershed protection measures mandated by the Phase I NPDES Permit and implemented through the SQIP. Throughout the operational phase, the Project would refrain from generating wastewater or stormwater runoff, thereby avoiding conflicts with or obstructions to a water quality control plan. While dewatering during construction is anticipated due to the elevated water table in the Project area, the extracted groundwater volume would be negligible in comparison to the overall groundwater supply. Dewatering plans would be subject to approval from Sacramento County's Department of Environmental Management and/or SWRCB. Additionally, Project operation would abstain from utilizing potable water, including groundwater. Because the Project's potential impacts would be limited to construction activities, this impact would be ***less than significant***, and no mitigation would be required.

3.11 Land Use and Planning

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XI. Land Use and Planning. Would the project:				
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3.11.1 Environmental Setting

The Project alignment is located within the community of Rio Linda in Sacramento County. In the northern Sacramento County and the northwestern portion of the City of Sacramento, the existing land use conditions reflect a mix of industrial and residential zones. Adjacent to the western edge of McClellan Air Business Park and along Phase 1 of the Project alignment, the community is characterized by a blend of industrial land uses and the proximity of the McClellan Sacramento Airport to the south. Toward the northwestern extents of Project alignment (Phases 2A and 2B), the land use transitions into a more residential setting and consist of the Census-designated place of Rio Linda.

Land use designations along the Project alignment include agricultural-residential and intensive industrial for areas within Sacramento County (Sacramento County 2011), and Employment Center Low Rise within the City of Sacramento (City of Sacramento 2017). The Project alignment is zoned as M1-Industrial within the City of Sacramento (City of Sacramento 2014) and as the McClellan Park Special Planning Area, Agricultural Residential and M1 – Light Industrial within portions located in Sacramento County (Sacramento County 2024).

3.11.2 Discussion

a) Physically divide an established community?

No Impact. The Project proposes to replace approximately 5.5 miles of an existing above-ground 12 kV cable with 69 kV and 12 kV cables along an existing alignment. No Project features would create a new physical division. Therefore, the Project would have **no impact** and no mitigation is required.

b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?

Less-than-Significant Impact. As discussed above, the Project would replace approximately 5.5 miles of an existing above-ground 12 kV cable with 69 kV and 12 kV cables along an existing alignment. Land uses would not be changed due to implementation of the Project. Therefore, this impact would be **less than significant**, and no mitigation would be required.

3.12 Mineral Resources

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XII. Mineral Resources. Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

3.12.1 Environmental Setting

The Surface Mining and Reclamation Act directs the State Geologist to classify (identify and map) the non-fuel mineral resources of the State to show where economically significant mineral deposits occur and where they are likely to occur based upon the best available scientific data. Areas known as Mineral Resource Zones (MRZs) are classified on the basis of geologic factors, without regard to existing land use and land ownership. The areas are categorized into four general classifications (MRZ-1 through MRZ-4). Of the four, the MRZ-2 classification is recognized in land use planning because the likelihood for occurrence of significant mineral deposits is high, and the classification may be a factor in the discovery and development of mineral deposits that would tend to be economically beneficial to society.

The Project alignment is classified as MRZ-1 which means adequate information indicates no significant mineral deposits in that area (DOC 2018). The Project alignment is not designated as a locally important mineral resource recovery site in the *Sacramento County General Plan Update* (Sacramento County 2010).

3.12.2 Discussion

- a) **Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?**

No Impact. The Project alignment is classified as MRZ-1. No known mineral deposits are present in the Project alignment. Therefore, there would be **no impact**, and no mitigation would be required.

- b) **Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan, or other land use plan?**

No Impact. The Project alignment is not designated as a locally important mineral resource recovery site in the Sacramento County General Plan Update (Sacramento County 2010: Plate GS-5). Thus, Project implementation would not result in a loss of availability of locally important mineral resources, and the Project would have **no impact** related to the loss of availability of a locally important mineral resource discovery site, and no mitigation would be required.

3.13 Noise

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XIII. Noise. Would the project result in:				
a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or in other applicable local, state, or federal standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3.13.1 Environmental Setting

Acoustic Fundamentals

Acoustics is the scientific study that evaluates perception, propagation, absorption, and reflection of sound waves. Sound is a mechanical form of radiant energy, transmitted by a pressure wave through a solid, liquid, or gaseous medium. Sound that is loud, disagreeable, unexpected, or unwanted is generally defined as noise. Noise is typically expressed in decibels (dB), which is a common measurement of sound energy.

A decibel is logarithmic; it does not follow normal algebraic methods and cannot be directly summed. Because decibels are logarithmic units, sound pressure levels (SPLs) cannot be added or subtracted through ordinary arithmetic. Under the decibel scale, a doubling of sound energy corresponds to a 3-dB increase. In other words, when two identical sources are each producing sound of the same loudness at the same time, the resulting sound level at a given distance would be 3 dB higher than if only one of the sound sources was producing sound under the same conditions. For example, if one idling truck generates an SPL of 70 dB, two trucks idling simultaneously would not produce 140 dB; rather, they would combine to produce 73 dB. Under the decibel scale, three sources of equal loudness together produce a sound level approximately 5 dB louder than one source.

The decibel scale alone does not adequately characterize how humans perceive noise. The dominant frequencies of a sound have a substantial effect on the human response to that sound. Although the intensity (energy per unit area) of the sound is a purely physical quantity, the loudness or human response is determined by the characteristics of the human ear. Human hearing is limited in the range of audible frequencies as well as in the way it perceives the SPL in that range. In general, people are most sensitive to the frequency range of 1,000–8,000 Hz and perceive sounds within this range better than sounds of the same amplitude with frequencies outside of this range. To approximate the response of the human ear, sound levels of individual frequency bands are weighted, depending on the human sensitivity to those

frequencies. Then, an “A-weighted” sound level (expressed in units of A-weighted decibels) can be computed based on this information.

The A-weighting network approximates the frequency response of the average young ear when listening to most ordinary sounds. When people make judgments of the relative loudness or annoyance of a sound, their judgment correlates well with the A-scale sound levels of those sounds. Thus, noise levels are typically reported in terms of A weighted decibels. All sound levels discussed in this study are expressed in A-weighted decibels.

Noise in our daily environment fluctuates over time. Various noise descriptors have been developed to describe time-varying noise levels. The following are the noise descriptors used throughout this study.

- **Equivalent Continuous Sound Level (L_{eq}):** L_{eq} represents an average of the sound energy occurring over a specified period. In effect, L_{eq} is the steady-state sound level containing the same acoustical energy as the time-varying sound level that occurs during the same period (Caltrans 2013: 2-48).
- **Maximum Sound Level (L_{max}):** L_{max} is the highest instantaneous sound level measured during a specific period (Caltrans 2013: 2-48; FTA 2018)
- **Vibration Decibels (VdB):** VdB is the vibration velocity level in decibel scale (FTA 2018: Table 5-1)
- **Peak Particle Velocity (PPV):** PPV is the peak signal value of an oscillating vibration waveform. Usually expressed in inches/second (in/sec) (FTA 2018: Table 5-1).

Noise Generation and Attenuation

Noise can be generated by many sources, including mobile sources such as automobiles, trucks, and airplanes and stationary sources such as activity at construction sites, machinery, and commercial and industrial operations. As sound travels through the atmosphere from the source to the receiver, noise levels attenuate (i.e., decrease) depending on ground absorption characteristics, atmospheric conditions, and the presence of physical barriers. Sound from a localized source (i.e., a point source) propagates uniformly outward in a spherical pattern. The sound level attenuates at a rate of 6 dB for each doubling of distance from a point source. Noise from a line source, such as a road or highway, propagates outward in a cylindrical pattern, often referred to as cylindrical spreading. Sound levels attenuate at a rate of 3 dB for each doubling of distance from a line source. Noise attenuation from ground absorption and reflective-wave canceling provides additional attenuation associated with geometric spreading. For acoustically absorptive sites such as soft dirt, grass, or scattered bushes and trees, an additional ground-attenuation value of 1.5 dB per doubling of distance is normally assumed. When added to the attenuation rate associated with cylindrical spreading, the additional ground attenuation results in an overall drop-off rate of 4.5 dB per doubling of distance. This would hold true for point sources, resulting in an overall drop-off rate of up to 7.5 dB per doubling of distance.

Atmospheric conditions such as wind speed, wind direction, turbulence, temperature gradients, and humidity also alter the propagation of noise and affect levels at a receiver. Furthermore, the presence of a barrier (e.g., topographic feature, intervening building, and dense vegetation) between the source and the receptor can provide substantial attenuation of noise levels at the

receiver. Natural (e.g., berms, hills, and dense vegetation) and human-made features (e.g., buildings and walls) may function as noise barriers.

To provide some context to noise levels described throughout this section, common sources of noise and associated noise levels are presented in Table 3.13-1.

Table 3.13-1 Typical Noise Sources

Common Outdoor Activities	Noise Level (dB)	Common Indoor Activities
	110	Rock band
Jet flyover at 1,000 feet	100	
Gas lawnmower at 3 feet	90	
Diesel truck moving at 50 mph at 50 feet	80	Food blender at 3 feet, garbage disposal at 3 feet
Noisy urban area, gas lawnmower at 100 feet	70	Vacuum cleaner at 10 feet, normal speech at 3 feet
Commercial area, heavy traffic at 300 feet	60	
Quiet urban daytime	50	Large business office, dishwasher in next room
Quiet urban nighttime	40	Theater, large conference room (background)
Quiet suburban nighttime	30	Library, bedroom at night, concert hall (background)
Quiet rural nighttime	20	Broadcast/recording studio
	10	
Threshold of human hearing	0	Threshold of human hearing

Notes: dB = A-weighted decibels; mph = miles per hour
Source: Caltrans 2013

Ground Vibration

Vibration is the periodic oscillation of a medium or object with respect to a given reference point. Ground-borne vibration is vibration of and through the ground. Ground-borne vibration can range from levels that are imperceptible by humans to levels that can create substantial damage to buildings and structures. Sources ground-borne of vibration include natural phenomena (e.g., earthquakes, volcanic eruptions, sea waves, landslides) and those introduced by human activity (e.g., explosions, machinery, traffic, trains, construction equipment). Vibration sources may be continuous, (e.g., operating factory machinery) or transient in nature (e.g., explosions). Vibration levels can be depicted in terms of amplitude and frequency, relative to displacement, velocity, or acceleration.

Noise- and Vibration-Sensitive Land Uses and Receptors

Noise-sensitive land uses are generally considered to include those uses where noise exposure could result in health-related risks to individuals, as well as places where quiet is an essential element of their intended purpose (e.g., schools and libraries), and historic buildings that could sustain structural damage due to vibration. The Project alignment covers approximately 5.5 miles and is located along the western edge of the McClellan Air Business Park and northward

within the community of Rio Linda in Sacramento County. There are sensitive receptors (i.e., residential uses) throughout the Project alignment along Winters Street, 20th Street, and Elkhorn Boulevard.

Local Noise Regulations

Sacramento County General Plan and Municipal Code

Although SMUD is not subject to the goals and policies of the County of Sacramento, the Noise Element of the *County of Sacramento General Plan* contains goals, policies, and standards related to noise. Policy NO-8 states that noise associated with construction activities shall adhere to the County Code requirements. Specifically, Section 6.68.090(e) addresses construction noise within the county. Additionally, Section 6.68.090(e) of the County Municipal Code exempts noise sources associated with construction provided the activities do not take place between 8:00 p.m. and 6:00 a.m. on weekdays or between 8:00 p.m. and 7:00 a.m. on weekends.

City of Sacramento General Plan and Municipal Code

Although SMUD is not subject to the goals and policies of the City of Sacramento, the City's 2035 General Plan Environmental Constraints Element contains noise policies and standards (e.g., exterior and interior noise-level performance standards for new projects affected by or including non-transportation noise sources, and maximum allowable noise exposure levels for transportation noise sources). The City of Sacramento General Plan Noise Element contains goals, policies, and standards related to noise. Policy EC 3.1.10 requires development projects subject to discretionary approval to assess potential construction noise impacts on nearby sensitive uses and to minimize impacts on these uses, to the extent feasible. City Code Section 8.68, Noise Control, establishes the City of Sacramento's noise standards and regulations. Specifically, Section 8.68.060, identifies the City's exterior noise standards for residential uses as 55 dB between the hours of 7:00 a.m. and 10:00 p.m. and 50 dB from 10:00 p.m. to 7:00 a.m. Additionally, City Code Section 8.68.080, Exemptions, exempts noise sources due to the erection (including excavation), demolition, alteration or repair of any building or structure between the hours of 7:00 a.m. and 6:00 p.m., on Monday, Tuesday, Wednesday, Thursday, Friday and Saturday, and between 9:00 a.m. and 6:00 p.m. on Sunday; provided, however, that the operation of an internal combustion engine shall not be exempt pursuant to this subsection if such engine is not equipped with suitable exhaust and intake silencers which are in good working order.

3.13.2 Discussion

- a) **Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or in other applicable local, state, or federal standards?**

Less-than-Significant Impact. The Project would result in a temporary increase in noise levels during construction as a result of heavy equipment movement and pavement removal, but no permanent increases in ambient noise levels would occur during operation.

Construction of the Project would occur over approximately 12 months. Construction activities would generate noise near individual sensitive receptors throughout the duration of the

construction period, but only for a short period of time due to the linear nature of construction activities. As detailed in Chapter 2, “Project Description,” construction would be consistent with the relevant City and County construction related noise ordinances. Thus, construction associated with the Project would occur between the hours of 7:00 a.m. and 10:00 p.m. within the City of Sacramento and 6:00 a.m. to 8:00 p.m. on weekdays and 7:00 a.m. to 8:00 p.m. on weekends within the County of Sacramento. The City and County have not adopted their own construction-specific noise standards. Thus, the FTA construction noise standards are used to assess construction noise impacts. FTA has a daytime construction noise standard of 90 dB L_{eq} for residential uses and 100 dB L_{eq} for commercial/industrial uses (FTA 2018: 179).

Project construction activities that would generate the greatest noise levels would occur during the installation of steel poles. This activity would require the excavation of up to 20-foot-deep holes using a 5-foot diameter auger; a boom truck to install individual poles; and concrete to secure the poles in place. Noise modeling conservatively assumed the simultaneous operation of three pieces of heavy construction equipment (i.e., an auger drill rig, a concrete pump truck, and a flatbed truck). See Appendix C for detailed construction noise modeling. Based on the reference noise levels for these pieces of equipment, the combined noise level from this activity would reach approximately 79.3 dBA L_{eq} and 86 dBA L_{max} at 50 feet. Construction noise would exceed FTA’s daytime construction noise standard if residential uses are located within 15 feet of construction activities or if commercial/industrial uses are located within 5 feet of construction activities. See Appendix C for construction noise attenuation.

Noise generated by construction activities would be temporary and periodic in nature and would only occur during daytime hours when people are less sensitive to noise. As detailed above, both the City and County exempt construction noise during daytime hours. Additionally, the poles would be installed at least 15 feet of a residential use or within 5 feet of a commercial/industrial use, at which point noise would attenuate below FTA’s daytime construction noise standard. Thus, the Project would not generate a substantial temporary increase in ambient noise levels in excess of allowable standards in the vicinity of the Project. This impact would be ***less than significant***, and no mitigation would be required.

b) Generation of excessive groundborne vibration or groundborne noise levels?

Less-than-Significant Impact. Project construction would not involve the use of ground-vibration intensive activities, such as pile driving or blasting; however, construction may result in varying degrees of temporary ground vibration and noise levels due to the intermittent operation of construction equipment and activities. Pieces of equipment that generate lower levels of ground vibration, such as dozers and drills, would be used during construction. FTA guidance for maximum acceptable VdB levels are primarily concerned with sleep disturbance in residential areas and can be avoided by keeping exposures at or below 80 VdB during typical sleeping hours, or if the vibration events are infrequent (i.e., 30 per day).

Based on FTA reference vibration levels for typical construction equipment, caisson drilling generates vibration levels of 0.089 in/sec PPV and 87 VdB at 25 feet (FTA 2018: 184). Based on the recommended FTA procedure for applying a propagation adjustment to this reference level, vibration from the use of caisson drilling would exceed FTA significance criterion for structural damage (i.e., 0.20 PPV in/sec) within 15 feet and the criterion for impact of infrequent events on residences (i.e., 80 VdB) within 43 feet. Construction activities are not anticipated to occur within 43 feet of sensitive receptors. Additionally, construction would only take place during the less sensitive daytime hours in accordance with local standards. Thus, the Project

would not result in the exposure of the existing off-site receptors to excessive ground vibration levels. The impact would be ***less than significant***, and no mitigation would be required.

- c) **For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?**

Less-than-Significant Impact. Sacramento McClellan Airport is located adjacent to the northern and eastern border of the Project alignment. As discussed in Section 3.9, “Hazards and Hazardous Materials,” the airport’s comprehensive land use plan identifies prohibited uses within the various safety zones including structures that might interfere with aircraft navigation (SACOG 1987:46-49), and the Project would comply with FAA Part 77, which prohibits construction that is more than 200 feet above ground level within the airport’s area of influence (Caltrans 2011). Additionally, because the height of the utility poles would be consistent with the Airport Land Use Plan, it is not anticipated that changes in airport operations would occur due to the Project. Because implementation of the Project would not affect airport operations, airport noise levels along the Project alignment would remain the same as under the existing conditions. Therefore, this impact would be ***less than significant***, and no mitigation would be required.

3.14 Population and Housing

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XIV. Population and Housing. Would the project:				
a) Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

3.14.1 Environmental Setting

The Project alignment is partially located within the McClellan Business Park area, while the northern portions are located within the community of Rio Linda. The surrounding land uses are characterized by a mix of industrial and military uses and suburban/rural residences.

3.14.2 Discussion

- a) **Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?**

No Impact. The Project involves the replacement of aboveground power line poles and installation of new power line poles within roadways, rights-of-way, or utility easements. Project construction would be completed by SMUD’s existing workforce. The Project would not generate any new residents in the area or provide any new jobs. Therefore, the Project would have **no impact**, and no mitigation would be required.

- b) **Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?**

No Impact. No persons or homes would be displaced as a result of Project construction or operation. Therefore, the Project would have **no impact**, and no mitigation would be required.

3.15 Public Services

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XV. Public Services. Would the project:				
a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, or the need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the public services:				
Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Police protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

3.15.1 Environmental Setting

Project alignment extends approximately 5.5 miles and is located along the western edge of the McClellan Air Business Park and northward within the community of Rio Linda, and travels within the City of Sacramento and unincorporated Sacramento County.

Fire Protection Services

The Sacramento Metropolitan Fire Department (Metro Fire) provides fire protection services to the portion of the Project alignment. The nearest stations to the Project alignment are Fire Station #112, located at 6801 34th Street in North Highlands, adjacent to the Project alignment at the northwest corner of the intersection of Elkhorn Boulevard and 34th Street; and Fire Station #115, located at 4727 Kilzer Ave in McClellan Park, approximately 0.2 miles east of Phase 1 of the Project alignment.

Police Protection Services

The Sacramento County Sheriff’s Department (SCSD) is principally responsible for providing police protection services in the county of Sacramento, including the Project area. The Project alignment is located within District 1 (North West) of the North Division (SCSD 2024). The North Division is based at Garfield Station located at 5510 Garfield Avenue, approximately 4 miles southeast of the Project alignment.

The portion of the Project alignment located within the City of Sacramento is served by the Sacramento Police Department. The nearest Sacramento Police Department station is located at 3550 Marysville Boulevard, approximately 1 mile south of the southern extent of the Project alignment.

Schools

There is one public school adjacent to the Project alignment, Vineland Elementary School, located at the northeast corner of the intersection of “I” Street and 20th Street. Two public schools are located within one-quarter mile of the Project alignment, Bell Avenue Elementary School at 1900 Bell Avenue and Vista Nueva Career and Technology High School at 2035 “N” Street.

Parks and Other Public Facilities

The nearest park to the Project alignment is Dry Creek Parkway, a beltway park that extends north and south of “Q” Street, approximately 300 feet northwest from the Project alignment at the intersection of “Q” Street and 20th Street. Dry Creek Parkway provides trails, parks, and open space along Dry Creek and provides a cycling and walking corridor. Del Paso Regional Park is located approximately 0.6 miles southeast of the Project alignment. Del Paso Regional Park provides open space for citizens to walk or bike around in the area, and includes ball fields, a golf course, equestrian trails, and picnic areas (City of Sacramento 2022). Athletic fields at Vineland Elementary School are also available for public use.

3.15.2 Discussion

- a) **Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, or the need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the public services:**

Fire Protection

No Impact. Implementation of the Project would not increase demand for fire protection services because the Project would not generate new residents that may increase demand for services or develop additional structures that could expand service areas. Because the Project would not increase demand for fire protection services, no construction of new or expansion of existing fire service facilities would be required. Therefore, the Project would have **no impact** on fire protection services, and no mitigation would be required.

Police Protection

No Impact. Implementation of the Project would not increase demand for police protection services because the Project would not generate new residents that may increase demand for services or develop additional structures that could expand service areas. Because the Project would not increase demand for police protection services, no construction of new or expansion of existing police service facilities would be required. Therefore, the Project would have **no impact** on police facilities, and no mitigation would be required.

Schools

No Impact. The Project would not provide any new housing that would generate new students in the community nor result in an increase in employment opportunities that could indirectly contribute new students to the local school district. Therefore, the Project would have **no impact** on school services and facilities, and no mitigation would be required.

Parks

No Impact. The Project would not provide any new structures that could result in additional residents/employees, which could necessitate new or expanded parking facilities. Therefore, the Project would have **no impact** on parks, and no mitigation would be required.

Other Public Facilities

No Impact. No other public facilities exist in the Project area that could be affected by implementation of the Project. Therefore, the Project would have **no impact** on other public facilities, and no mitigation would be required.

3.16 Recreation

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XVI.Recreation. Would the project:				
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

3.16.1 Environmental Setting

The Project alignment is located along the western edge of the McClellan Air Business Park and northward within the community of Rio Linda in Sacramento County, within the boundaries of the City of Sacramento and Sacramento County. The nearest park to the Project alignment is Dry Creek Parkway, a beltway park that extends north and south of “Q” Street, approximately 300 feet northwest from the Project alignment at the intersection of “Q” Street and 20th Street. Dry Creek Parkway provides trails, parks, and open space along Dry Creek and provides a cycling and walking corridor. Del Paso Regional Park is located approximately 0.6 miles southeast of the Project alignment. Del Paso Regional Park provides open space for citizens to walk or bike around in the area, and includes ball fields, a golf course, equestrian trails, and picnic areas (City of Sacramento 2022). Athletic fields at Vineland Elementary School are also available for public use.

3.16.2 Discussion

- a) **Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?**

No Impact. The Project does not include any new development that could increase the use of existing parks or recreational facilities. Therefore, the Project would have **no impact**, and no mitigation would be required.

- b) **Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?**

No Impact. The Project does not include any new development that could necessitate new or expanded recreational facilities. Therefore, the Project would have **no impact**, and no mitigation would be required.

3.17 Traffic and Transportation

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XVII. Transportation/Traffic. Would the project:				
a) Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d) Result in inadequate emergency access?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.17.1 Environmental Setting

Regional access to the Project alignment is available from the south via Interstate 80 (I-80). The Project alignment extends generally from a connection point approximately 140 feet south of the intersection of Winters Street and Rene Avenue, to the intersection of Q Street and 20th Street to the north, and the intersection of Elkhorn Boulevard and 34th Street to the east (see Figure 2-1). With the exception of Elkhorn Boulevard, which is 4-lanes wide and equipped with designated bicycle lanes, roadways along the Project alignment are paved two-way streets, with one lane of travel in each direction without bicycle facilities. No sidewalks or other pedestrian facilities are present along the Project alignment. Regional Transit Bus Line 19 runs along the portion of the Project alignment along Elkhorn Boulevard (Regional Transit 2024).

The Project involves replacing approximately 5.5 miles of an existing above-ground 12 kV cable with 69 kV and 12 kV cables. The Project would involve replacing or relocating approximately 140 power line poles, and newly installing approximately 10 power line poles where they did not previously exist. Poles would be placed within existing rights-of-way, but would be placed outside of public roads, curbs, gutters, and sidewalks. The southern extent of the Project alignment begins approximately 0.3 miles north of the I-80 Winters Street on- and off-ramps; the eastern extent of the Project alignment is approximately 3.0 miles west of the I-80 Elkhorn Boulevard on- and off-ramps. No transit stops are located within the Project area. Winters Street is a four-lane rural road used primarily for local traffic by surrounding residents to connect to Interstate 80 (I-80). 20th Street is a two-lane rural road used primarily for local traffic by surrounding residents. Elkhorn Boulevard is a four-lane road that connects the community of Rio Linda and surrounding Sacramento County and City of Sacramento residents to State Route 99. On-street bicycle lanes are provided along Elkhorn Boulevard, as well as other streets within and near the Project alignment.

3.17.2 Discussion

- a) **Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities?**

Less than Significant with Mitigation Incorporated. As discussed above, the Project alignment is located within SMUD's existing right-of-way. Project construction would involve temporary staging of materials on flatbed trucks within the roadway and shoulder. During site preparation, auguring, and placement of poles, up to an entire lane may be used for staging. While roadway conditions would be restored to their pre-Project conditions, roadway, bicycle, transit access, and pedestrian throughfare may be temporarily affected during construction. Thus, there may be conflicts with circulation during construction. This impact would be potentially significant.

Mitigation Measure 3.17-1: Traffic Control Plan

Prior to Project construction within or adjacent to public roadways, SMUD's shall develop a traffic control plan for the Project and submit the plan to the County of Sacramento's Right of Way Management Section and the City's Department of Transportation for approval. The plan shall identify temporary vehicular lanes, bicycle lanes, pedestrian routes, and transit stop closures and provide information regarding how access and connectivity and emergency access will be maintained during construction activities. The plan shall include details regarding traffic controls that would be employed, including signage, detours, and flaggers. The traffic control plan shall be implemented by SMUD during construction to allow for the safe passage of vehicles, pedestrians, and cyclists along the Project alignment.

Implementation of Mitigation Measure 3.17-1 would reduce impacts associated with the conflicts to the circulation system by requiring traffic controls, such as signage, detours, and flaggers and temporary lane, bicycle lane, pedestrian route, and transit stop closures that would preserve accessibility, connectivity, and emergency access during construction activities. Therefore, this impact would be reduced to a **less-than-significant** level.

- b) **Conflict or be inconsistent with CEQA Guidelines section 15064.3(b), which pertains to vehicle miles travelled?**

Less-than-Significant Impact. Temporary construction activities would result in slight increases in vehicle trips associated with worker commutes and materials (i.e., poles, gravel, concrete) delivery (approximately 5-10 trips per day to support 5 workers are expected). However, these additional trips would occur only during the construction period. During operation, no new vehicle trips would be generated, because operation of the Project would be limited to maintenance activities that would be similar to those required for the existing powerline along the Project alignment. Because the Project would not change the amount of development projected for the area, would be consistent with the population growth and vehicle miles traveled projections in regional and local plans, and would result in only a slight increase in vehicle miles traveled during construction, this impact would be **less than significant**, and no mitigation is required.

- c) **Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?**

Less-than-Significant Impact. Project operation would not result in any changes in road geometry or new uses. The proposed changes, including the replacement, relocation, and installation of poles, have been carefully planned to accommodate existing uses and specific siting considerations. The Project does not include any changes to roadway design or use. Therefore, impacts related to traffic hazards would be ***less than significant***, and no mitigation is required.

- d) **Result in inadequate emergency access?**

Less than Significant with Mitigation Incorporated. As previously discussed, Project operation would not alter any existing roads, including areas provided for emergency access. Project construction would involve temporary lane closures, which have the potential to impact access for emergency vehicles. This impact would be potentially significant.

Mitigation Measure 3.17-1: Traffic Control Plan (described above)

During the construction, implementation of Mitigation Measure 3.17-1 would reduce impacts related to inadequate emergency access during construction by requiring implementation of a plan to maintain access for emergency vehicles during construction. Therefore, impacts related to emergency access would be reduced to a ***less-than-significant*** level.

3.18 Tribal Cultural Resources

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XVIII. Tribal Cultural Resources.				
Has a California Native American Tribe requested consultation in accordance with Public Resources Code section 21080.3.1(b)?	<input type="checkbox"/> Yes		<input checked="" type="checkbox"/> No	
Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:				
a) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.18.1 Environmental Setting

Ethnographic Setting

The County and City of Sacramento and the surrounding area are known to have been occupied by Native American groups for thousands of years prior to settlement by non-Native peoples. Archaeological materials, including human burials, have been found throughout the city. Human burials outside of formal cemeteries often occur in precontact contexts. Areas of high sensitivity for tribal cultural resources are located within close proximity to the Sacramento and American rivers and other watercourses (Ascent 2024: 24).

The Project alignment is located in the traditional Native American territory of the Nisenan, or Southern Maidu. The Nisenan are the southernmost linguistic group of the Maidu Penutian language family. Three Nisenan dialects are recognized: Northern Hill, Southern Hill, and Valley Nisenan. The territory associated with Valley Nisenan speakers extended from the present-day location of present-day Old Sacramento to the crest of the Sierras and includes the Project alignment. Valley Nisenan settlements were located on low, natural rises along streams and rivers or on gentle, south-facing slopes. Populations within the settlements are estimated to have varied from 15 or more for smaller occupation sites and satellite villages, and up to 500 or more in large villages.

Although acorns were a staple food collected in the fall and then stored in granaries, Valley Nisenan also relied on a wide range of abundant natural resources. Large and small mammals, such as pronghorn antelope, deer, tule elk, black bears, cottontails, and jackrabbits, among

other species, were hunted by individuals or by communal effort. Game birds, waterfowl, and fish, particularly salmon, were also important components of the Nisenan diet. In addition to acorns, plant resources included pine nuts, buckeye nuts, berries, grass seeds, herbs, and underground tubers. To procure these resources, Valley Nisenan employed a variety of tools, implements, and enclosures for hunting, collecting, and processing natural resources. The bow and arrow, snares, traps, nets, and enclosures or blinds were used for hunting land mammals and birds. For fishing, they made canoes from tule, balsa, or logs, and used harpoons, hooks, nets, and basketry traps. To collect plant resources, sharpened digging sticks, long poles for dislodging acorns and pinecones, and a variety of basketry such as seed beaters, burden baskets, and carrying nets, were utilized. Foods were processed with a variety of tools, such as bedrock mortars, cobblestone pestles, anvils, and portable stone or wooden mortars that were used to grind or mill acorns and seeds. Additional tools and implements included knives, anvils, leaching baskets and bowls, woven parching trays, and woven strainers and winnowers (Ascent 2024: 25).

Another key component of Valley Nisenan life was their participation in an extensive east-west trade network between the coast and the Great Basin. From coastal groups marine shell (*Olivella* and *Haliotis*) and steatite moved eastward, while salt and obsidian traveled westward from the Sierras and Great Basin. Basketry, an important trade item, moved in both directions.

The traditional culture and lifeways of the Valley Nisenan and Nisenan in general were disrupted beginning in the early 1800s. Although Spanish explorers entered their territory as early as 1808, there is no record of the forced movement of any Nisenan to the missions, at least no evidence similar to that recorded for the neighboring Plains Miwok. Regardless, Valley Nisenan and other Indigenous peoples were affected by land grant settlements and devastated by foreign disease epidemics that swept through the densely populated Central Valley. In particular, an epidemic presumed to be malaria, swept through the Sacramento Valley in 1833, wiping out entire villages and causing the death of an estimated 75 percent of the Valley Nisenan population. Not long after in 1839, Captain John Sutter settled into the area and conscripted many of the surviving local Indigenous peoples to work for him at his fort and various other endeavors.

As the 19th Century advanced, additional impacts to Valley Nisenan traditional lifeways resulted from the California Gold Rush in 1849. As a steady influx of non-native people exploited their lands and wasted their resources, many lifeways of the Valley Nisenan, as well as neighboring groups, were irretrievably interrupted. As a result, surviving Valley Nisenan either retreated to the foothills and mountains, or became domestics and laborers for the expanding ranching, farming, and mining industries.

Despite these major and devastating historical setbacks, today many Native Americans in the vicinity of the Project alignment are maintaining traditional cultural practices. Sometimes supported by thriving business enterprises, Tribal groups maintain governments, historic preservation programs, education programs, cultural events, and numerous other programs that sustain a vibrant culture (Ascent 2024: 25).

Tribal Consultation

Assembly Bill (AB) 52, signed by Governor Edmund G. Brown, Jr., in September 2014, established a new class of resources under CEQA: “[T]ribal cultural resources.” AB 52, as provided in Public Resource Code Sections 21080.3.1, 21080.3.2, and 21082.3, requires that

lead agencies undertaking CEQA review must, upon written request of a California Native American Tribe, begin consultation once the lead agency determines that the application for the Project is complete, prior to the issuance of a NOP of an EIR or notice of intent to adopt a negative declaration or mitigated negative declaration.

On November 22, 2023, SMUD sent emails and certified letters to the Lone Band of Miwok Indians, United Auburn Indian Community of the Auburn Rancheria (UAIC), Shingle Springs Band of Miwok Indians, and Wilton Rancheria. UAIC responded that no consultation is required for this project and provided unanticipated discovery mitigation measures for the project as an attachment. In addition, Lone Band of Miwok Indians responded that they defer comments to the other tribes and also provided unanticipated discovery mitigation measures for the project as an attachment. No responses were received from the other two Tribes. Therefore, no consultation occurred under AB 52 and no Tribal cultural resources were identified.

3.18.2 Discussion

Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:

- a) **Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k)?**
- b) **A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe?**

Less than Significant with Mitigation Incorporated. As described in Section 3.5, Cultural Resources, the cultural resources study prepared for the Project indicated that no known archaeological resources that could be considered Tribal cultural resources, are located on the Project alignment or in the Project vicinity. Based on the survey results and disturbed nature of the Project alignment and surrounding area, there is a low probability for Tribal cultural resources to occur on the site. Additionally, following letters sent to tribes on November 24, 2023, no Tribes requested project consultation pursuant to PRC 21080.3.1. Although no Tribal cultural resources have been identified and no Tribes requested consultation, it is still possible that unanticipated Tribal cultural resources could be uncovered during ground disturbing Project activities. This impact would be potentially significant.

Mitigation Measure 3.18-1a: Implement Worker Cultural Resources Awareness and Respect Training Program

SMUD shall provide a cultural resources awareness and respect training program to all construction personnel active along the Project alignment prior to the start of Project implementation and to any new workers who start on the Project after starting. The program includes relevant information regarding Tribal cultural resources, including

applicable laws and regulations, the consequences of violating said laws and regulations, protocols for resource avoidance, and protocols for discoveries. The program also underscores the requirement for confidentiality and culturally-appropriate treatment of any find of significance to Native Americans and protocols, consistent to the extent feasible, with Native American Tribal values.

Mitigation Measure 3.18-1b: Halt Ground Disturbance Upon Discovery of Subsurface Tribal Cultural Resources

If any suspected Tribal cultural resources or unique archaeological resources are discovered during ground disturbing construction activities, all work shall cease within 100 feet of the find, or a distance agreed upon by the Tribal monitor, archaeological monitor, SMUD, and the construction foreman based on the location and nature of the find and type of work occurring. The Tribal monitor shall determine if the find is a Tribal cultural resource. The Tribal monitor will make recommendations for further evaluation and culturally appropriate treatment of discovered Tribal cultural resources as necessary in consultation with the archaeological monitor.

Unless another type of treatment is recommended, resources will be preserved in place by redesigning the Project unless redesign is determined by SMUD, with evidence, to be technologically, regulatorily, or economically infeasible. Redesign could include modifying the route of the alignment; and route modification would remain within the boundary of the Project study area. If redesign is demonstrated to be infeasible, culturally appropriate treatment would be developed in consultation with the participating Tribes. Culturally appropriate treatment may include, but is not limited to, processing materials for reburial, minimizing handling of cultural objects, leaving objects in place within the landscape, returning objects to a location within the Project area where they will not be subject to future impacts from the Project. Because curation of Tribal cultural resources is not considered by the participating Tribes to be appropriate or respectful, participating Tribes request that materials not be permanently curated, unless approved by the participating Tribes.

Work at the discovery location cannot resume until all necessary investigation, evaluation, and treatment of the discovery under the requirements of the CEQA, including AB 52, have been satisfied. Implementation of this mitigation measure would also satisfy State and local regulations regarding the treatment of Tribal cultural resources as well as Section 7050.5 of the Health and Safety Code and PRC 5097 regarding the treatment of human remains.

Implementation of Mitigation Measures 3.18-1a and 3.18-1b would reduce potential impact to unanticipated tribal cultural resources discovered during Project construction activities by requiring minimization and avoidance measures and Tribal cultural awareness and respect training. Upon implementation of these mitigation measures, impacts would be reduced to a **less-than-significant** level.

3.19 Utilities

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XIX. Utilities and Service Systems. Would the project:				
a) Require or result in the relocation or construction of construction of new or expanded water, wastewater treatment or stormwater drainage, electric power, natural gas, or telecommunication facilities, the construction or relocation of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a determination by the wastewater treatment provider that serves or may serve the project that it has adequate capacity to serve the project's projected demand, in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3.19.1 Environmental Setting

The Project alignment is located along an existing 12 kV distribution line within an urbanized area of the County. Natural gas provisions are supplied to areas along the Project alignment from PG&E. The urban and urbanizing areas of the County, including the Cities of Rancho Cordova, Elk Grove and Citrus Heights, are divided into three zones of the Sacramento County Water Agency, a statutorily created district operating under the authority of and pursuant to the provisions of the Sacramento County Water Agency Act (West's California Codes, Water Code Appendix, Chapter 66, commencing at Section 66-1, et seq.; Deering's California Codes, Water, Uncodified Acts, Act 6730a). These zones are identified as 11A, 11B, and 11C. The Project alignment is located within Zone 11c, which includes the Dry Creek and Steelhead Creek (Natomas East Main Drainage Canal) tributary watersheds. Stormwater management within this zone contains roadside ditches and culvert crossings (Sacramento County 2021).

The nearest landfill to the Project alignment is the Sacramento County Kiefer Landfill, which is permitted for a maximum throughput of 10,815 tons per day. As of 2005, Kiefer landfill was estimated to operate until January 1, 2064 (CalRecycle 2024).

3.19.2 Discussion

- a) **Require or result in the relocation or construction of new or expanded water, wastewater treatment or stormwater drainage, electric power, natural gas, or telecommunication facilities, the construction or relocation of which could cause significant environmental effects?**

Less than Significant. The Project would not require municipal water, wastewater treatment, stormwater drainage, natural gas, or telecommunication provisions and therefore would not affect these facilities.

The Project involves upgrading SMUD's transmission capacity, necessitating the replacement and relocation of electric power facilities. As discussed throughout this document, all potentially significant impacts would be reduced to a less-than-significant level through implementation of mitigation measures.

With regard to stormwater drainage facilities, some of the poles would be located within roadside ditches that may be associated with the Sacramento County Water Agency's stormwater drainage system. However, the Project would result in a reduced number of poles compared to the existing conditions and would not substantially modify the drainage conditions along the Project alignment. Therefore, the impact is **less than significant**, and no mitigation is required.

- b) **Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?**

No impact. The Project would involve replacing or relocating approximately power line poles and does not create a demand for water supplies. There would be **no impact** on water supplies, and no mitigation is required.

- c) **Result in a determination by the wastewater treatment provider that serves or may serve the project that it has adequate capacity to serve the project's projected demand, in addition to the provider's existing commitments?**

No impact. The Project would not generate wastewater. There would be **no impact** to wastewater treatment capacity, and no mitigation is required.

- d) **Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?**

- e) **Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?**

Less-than-Significant Impact. The Project would only generate solid waste during construction activities. Project construction would require relocation or replacement of existing power line poles, 12 kV cables, and outdated electrical equipment. Installation and relocation of the new and existing power line poles and would generate various construction-period wastes, including power poles, finishing materials, various metals, and other recyclable and non-recyclable construction-related wastes.

Compliance with the updated 2022 CALGreen Code (24 CCR Part 11) would result in a reduction of construction waste and increase recycling. Implementation of the CALGreen Code would significantly reduce construction-related waste. Landfilled waste would be delivered to facilities that have a large volume of landfill capacity available to serve the Project during construction. The majority of landfilled waste would be delivered to the Sacramento County Kiefer Landfill. As discussed above under Section 3.19.1, "Environmental Setting," based on the remaining capacity and typical throughput rates, the Sacramento County Kiefer Landfill is estimated to be operational until 2064, well beyond the anticipated construction period of 12 months. Project waste would be limited to one or two poles per day, as well as finishing materials, various metals, and other recyclable and non-recyclable construction-related wastes. This level of waste would not account for a substantial portion of the maximum permitted throughput of 10,815 tons per day, as it would account for less than one ton of waste.

The Project would not generate operational waste as it involves the replacement of existing electrical lines, and does not produce any waste post-construction. Therefore, this impact would be ***less than significant***, and no mitigation is required.

3.20 Wildfire

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
XX. Wildfire.				
Is the project located in or near state responsibility areas or lands classified as high fire hazard severity zones?				
If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:				
	<input type="checkbox"/> Yes		<input checked="" type="checkbox"/> No	
a) Substantially impair an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Require the installation of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.20.1 Environmental Setting

The Project alignment is located within a Local Responsibility Area that is designated as a Non-Very High Fire Hazard Severity Zone (CAL FIRE 2023). The Project alignment is primarily surrounded by residential and industrial land uses. Undeveloped land is present along the Project alignment within a vernal pool preserve located south of Ascot Avenue and west of Patrol Road, and south of Elkhorn Boulevard within land associated with the McClellan Airport. Sacramento Metropolitan Fire District provides fire protection and emergency rescue services to areas associated with the Project alignment. The nearest stations to the Project alignment are Fire Station #112, located at 6801 34th Street in North Highlands, adjacent to the Project alignment at the northwest corner of the intersection of Elkhorn Boulevard and 34th Street; and Fire Station #115, located at 4727 Kilzer Ave in McClellan Park, approximately 0.2 miles east of Phase 1 of the Project alignment (Metro Fire 2024).

3.20.2 Discussion

- a) Substantially impair an adopted emergency response plan or emergency evacuation plan?
- b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?
- c) Require the installation of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?
- d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?

No Impact. The Project would not exacerbate wildfire risks because the Project alignment is not located within a high or very high wildfire hazard zone and would not expose people or structures to wildfire risks. Construction equipment would be stored away from vegetation that could provide fire fuel if ignited. In addition, vegetation would be removed or trimmed on the Project alignment, as needed, to ensure that construction activities do not increase risks associated with wildfires. Thus, the Project would not affect the potential for wildfires to ignite or spread within areas surrounding the Project alignment. There would be **no impact**, and no mitigation is required.

3.21 Mandatory Findings of Significance

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
XVIII. Mandatory Findings of Significance.				
a) Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of an endangered, rare, or threatened species, or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Does the project have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Authority: Public Resources Code Sections 21083, 21083.5.

Reference: Government Code Sections 65088.4. Public Resources Code Sections 21080, 21083.5, 21095; *Eureka Citizens for Responsible Govt. v. City of Eureka* (2007) 147 Cal.App.4th 357; *Protect the Historic Amador Waterways v. Amador Water Agency* (2004) 116 Cal.App.4th at 1109; *San Franciscans Upholding the Downtown Plan v. City and County of San Francisco* (2002) 102 Cal.App.4th 656.

3.21.1 Discussion

- a) **Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of an endangered, rare, or threatened species, or eliminate important examples of the major periods of California history or prehistory?**

Less than Significant with Mitigation Incorporated. As discussed in Section 3.4, “Biological Resources,” of this IS/MND, ground disturbance associated with the Project would occur within previously disturbed land, and as explained in Section 3.4, “Biological Resources,” six special-status plant species have the potential to occur within the Project alignment. Work activities adjacent to wetland features could cause indirect temporary impacts to habitat through sediment runoff into these features. In addition, vernal pool fairy shrimp (*Branchinecta lynchi*) and vernal pool tadpole shrimp (*Lepidurus packardii*), western spadefoot, and western pond turtle may be present within the Project alignment and could be adversely affect through Project construction. Implementation of Mitigation Measures 3.4-1, 3.4-2, 3.4-3, 3.4-4, 3.4-5, 3.4-6, and 3.4-7 would reduce impacts to a less-than-significant level because vernal pools would be avoided. The Project has potential to adversely affect Swainson’s hawk, white-tailed kite,

and other nesting birds. Potentially significant impacts would be reduced to a less-than-significant level with implementation of Mitigation Measures 3.4-1 and 3.4-8. Project construction may result in impacts to state or federally protected aquatic resources. With implementation of Mitigation Measures 3.4-1 through 3.4-4, potential impacts to state or federally protected aquatic resources would be reduced to **a less-than-significant** level.

As discussed in Section 3.5, “Cultural Resources,” three historic-period archaeological site was discovered during the pedestrian survey. Although the Project overlaps the boundaries of P-34-000658 and P-34-005408, the Project as currently designed would not affect the physical aspects of these two resources. In addition, records search revealed one historic era archaeological site within the Project alignment (P-34-000654). This archaeological site was identified during the pedestrian survey, and it was determined that the Project as currently designed would not affect the physical aspects of this site because no poles or foundations are proposed within its boundary. However, components of the Project that require earth-moving and excavation may result in the discovery of previously unrecorded archaeological deposits. These activities could damage or destroy previously undiscovered unique archaeological resources pursuant to Section 15064.5. Mitigation Measure 3.5-1 would reduce potential impacts to archaeological resources discovered during Project construction activities to a **less-than-significant** level by requiring construction monitoring and, in the case of a discovery, preservation options (including data recovery, mapping, capping, or avoidance) and proper curation if significant artifacts are recovered.

- b) **Does the project have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.)**

Less than Significant with Mitigation Incorporated. Project impacts would be individually limited and not cumulatively considerable due to the site-specific nature of the potential impacts. The potentially significant impacts to air quality, biological resources, cultural resources, tribal cultural resources, and traffic can be reduced to a less-than-significant level with implementation of recommended mitigation measures. These impacts would be related to construction activities, would be temporary in nature, and would not substantially contribute to any potential cumulative impacts associated with these topics.

Potentially significant impacts to air quality would be reduced to a less-than-significant level with implementation of Mitigation Measure 3.3-1. Potentially significant impacts to biological resources would be reduced to a less-than-significant level with implementation of Mitigation Measures 3.4-1 through 3.4-8. Potentially significant cultural resources impacts would be reduced to less-than-significant levels with implementation of Mitigation Measures 3.5-1. Potentially significant impacts to paleontological resources would be reduced to a less-than-significant level through implementation of Mitigation Measures 3.7-1. Potentially significant impacts related to hazards and hazardous materials be reduced to a less-than-significant level through implementation of Mitigation Measures 3.9-1. Potentially significant traffic and transportation impacts would be reduced to a less-than-significant level with implementation of 3.17-1. Potentially significant tribal cultural resources impacts would be reduced to a less-than-significant level with implementation of Mitigation Measures 3.18-1a and 3.18-1b.

The Project would have no impact or less than significant impacts to the following environmental areas: aesthetics, agriculture and forestry resources, energy, geology and soils, greenhouse

gas emissions, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, utilities and service systems, and wildfire. Therefore, the Project would not substantially contribute to any potentially cumulative impacts for these topics. All environmental impacts that could occur as a result of the Project would be reduced to a less-than-significant level through the implementation of the mitigation measures recommended in this document. Implementation of these measures would ensure that the impacts of the Project would be below established thresholds of significance and that these impacts would not combine with the impacts of other cumulative projects to result in a cumulatively considerable impact on the environment. Therefore, this impact would be ***less than significant***.

c) Does the project have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly?

Less than Significant with Mitigation Incorporated. The Project would have potentially significant impacts related to biological resources, cultural resources, hazards and hazardous materials, and tribal cultural resources. However, all of these impacts would be reduced to less-than-significant levels with incorporation of the mitigation measures included in the respective section discussions above. No other direct or indirect impacts on human beings were identified in this IS/MND. Therefore, this impact would be ***less than significant***.

4.0 ENVIRONMENTAL JUSTICE EVALUATION

4.1 Introduction

At present, there are no direct references to the evaluation of environmental justice (EJ) as an environmental topic in the Appendix G Environmental Checklist, CEQA statute, or State CEQA Guidelines; however, requirements to evaluate inconsistencies with general, regional, or specific plans (State CEQA Guidelines Section 15125[d]) and determine whether there is a “conflict” with a “policy” “adopted for the purpose of avoiding or mitigating an environmental effect” (Environmental Checklist Section XI[b]) can implicate EJ policies. As additional cities and counties comply with Senate Bill (SB) 1000 (2016), which requires local jurisdictions to adopt EJ policies when two or more general plan elements are amended, environmental protection policies connected to EJ will become more common.

“Environmental Justice” is defined in California law as the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies (California Government Code Section 30107.3[a]). “Fair treatment” can be defined as a condition under which “no group of people, including racial, ethnic, or socioeconomic group, shall bear a disproportionate share of negative environmental consequences resulting from industrial, municipal, and commercial operations or the execution of federal, state, local, and tribal programs and policies” (EPA 2011).

SMUD created the Sustainable Communities Initiative, which encompasses the framework of EJ, to help bring environmental equity and economic vitality to all communities in SMUD’s service area with special attention to historically underserved neighborhoods. The initiative focuses on the development of holistically sustainable neighborhoods through partnerships and collaboration. The goal of this effort is to ensure the advancement of prosperity in the Sacramento region regardless of zip code or socioeconomic status by focusing on equitable access to mobility, a prosperous economy, a healthy environment, and social well-being. To support the initiative, SMUD teams are working internally and with community partners to improve equitable access to healthy neighborhood environments, energy efficiency programs and services, environmentally friendly transit modes (including electric vehicles), and energy-related workforce development and economic development prospects. To the extent these goals seek to avoid environmental impacts affecting vulnerable communities, the State CEQA Guidelines already require consideration of whether a Project may conflict with goals that support sustainable communities. The following analysis has been provided by SMUD, as a proactive evaluation in excess of CEQA requirements, to identify any localized existing conditions to which the Project, as proposed, may worsen adverse conditions and negatively impact the local community and identifies the need for implementation of additional site or local considerations, where necessary. Environmental justice issues are being considered in this CEQA document to help inform decision makers about whether the Project supports SMUD’s goal of helping to advance environmental justice and economic vitality to all communities in SMUD’s service area with special attention to historically underserved neighborhoods.

4.2 Regulatory Context

California legislation, state agency programs, and guidance have been issued in recent years that aim to more comprehensively address EJ issues, including SB 1000 (2016), SB 535

(2012) and Assembly Bill (AB) 1550 (2016), AB 617 (2017), the California Department of Justice Bureau of Environmental Justice, the California Communities Environmental Health Screening Tool (CalEnviroScreen), and the Governor's Office of Planning and Research's (OPR's) 2020 General Plan Guidelines, Environmental Justice Element. In particular, SB 1000 has provided an impetus to more broadly address EJ; coupled with the existing requirements of CEQA, it is now time to elevate the coverage of significant environmental impacts in the context of EJ in environmental documents. These other bills have also provided the necessary policy direction to address EJ under CEQA.

4.2.1 Senate Bill 1000

SB 1000, which was enacted in 2016, amended California Government Code Section 65302 to require that general plans include an EJ element or EJ-related goals, policies, and objectives in other elements of general plans with respect to disadvantaged communities (DACs) beginning in 2018. The EJ policies are required when a city or county adopts or revises two or more general plan elements and the city or county contains a DAC. EJ-related policies must aim to reduce the disproportionate health risks in DACs, promote civic engagement in the public decision-making process, and prioritize improvements that address the needs of DACs (California Government Code Section 65302[h]). Policies should focus on improving the health and overall well-being of vulnerable and at-risk communities through reductions in pollution exposure, increased access to healthy foods and homes, improved air quality, and increased physical activity.

4.2.2 Senate Bill 535 and Assembly Bill 1550

Authorized by the California Global Warming Solutions Act of 2006 (AB 32), the cap-and-trade program is one of several strategies that California uses to reduce greenhouse gases (GHGs) that cause climate change. The state's portion of the cap-and-trade auction proceeds are deposited in the Greenhouse Gas Reduction Fund (GGRF) and used to further the objectives of AB 32. In 2012, the California Legislature passed SB 535 (de Leon), directing that 25 percent of the proceeds from the GGRF go to projects that provide a benefit to DACs. In 2016, the legislature passed AB 1550 (Gomez), which now requires that 25 percent of proceeds from the GGRF be spent on projects located in DACs. The law requires the investment plan to allocate (1) a minimum of 25 percent of the available moneys in the fund to projects located within and benefiting individuals living in DACs; (2) an additional minimum of 5 percent to projects that benefit low-income households or to projects located within, and benefiting individuals living in, low-income communities located anywhere in the state; and (3) an additional minimum of 5 percent either to projects that benefit low-income households that are outside of, but within 0.5 mile of, DACs, or to projects located within the boundaries of, and benefiting individuals living in, low-income communities that are outside of, but within 0.5 mile of, DACs.

4.2.3 Assembly Bill 617

AB 617 of 2017 aims to help protect air quality and public health in communities around industries subject to the state's cap-and-trade program for GHG emissions. AB 617 imposes a new state-mandated local program to address nonvehicular sources (e.g., refineries, manufacturing facilities) of criteria air pollutants and toxic air contaminants. The bill requires the California Air Resources Board (CARB) to identify high-pollution areas and directs air districts to focus air quality improvement efforts through the adoption of community emission reduction

programs in these identified areas. Currently, air districts review individual stationary sources and impose emissions limits on emitters based on best available control technology, pollutant type, and proximity to nearby existing land uses. This bill addresses the cumulative and additive nature of air pollutant health effects by requiring communitywide air quality assessment and emission reduction planning, called a community risk reduction plan in some jurisdictions. CARB has developed a statewide blueprint that outlines the process for identifying affected communities, statewide strategies to reduce emissions of criteria air pollutants and toxic air contaminants, and criteria for developing community emissions reduction programs and community air monitoring plans.

4.2.4 California Department of Justice's Bureau of Environmental Justice

In February 2018, California Attorney General Xavier Becerra announced the establishment of a Bureau of Environmental Justice within the Environmental Section at the California Department of Justice. The purpose of the bureau is to enforce environmental laws, including CEQA, to protect communities disproportionately burdened by pollution and contamination. The bureau accomplishes this through oversight and investigation and by using the law enforcement powers of the Attorney General's Office to identify and pursue matters affecting vulnerable communities.

In 2012, then Attorney General Kamala Harris published a fact sheet titled, "Environmental Justice at the Local and Regional Level," highlighting existing provisions in the California Government Code and CEQA principles that provide for the consideration of EJ in local planning efforts and CEQA. Attorney General Becerra cites the fact sheet on his web page, indicating its continued relevance.

4.2.5 California Communities Environmental Health Screening Tool

CalEnviroScreen is a mapping tool developed by the Office of Environmental Health Hazards Assessment to help identify low-income census tracts in California that are disproportionately burdened by and vulnerable to multiple sources of pollution. It uses environmental, health, and socioeconomic information based on data sets available from state and federal government sources to produce scores for every census tract in the state. Scores are generated using 20 statewide indicators that fall into four categories: exposures, environmental effects, sensitive populations, and socioeconomic factors. The exposures and environmental effects categories characterize the pollution burden that a community faces, whereas the sensitive populations and socioeconomic factors categories define population characteristics.

CalEnviroScreen prioritizes census tracts based on their combined pollution burden and population characteristics score, from low to high. A percentile for the overall score is then calculated from the ordered values. The California Environmental Protection Agency has designated the top 25 percent of highest scoring tracts in CalEnviroScreen (i.e., those that fall in or above the 75th percentile) as DACs, which are targeted for investment proceeds under SB 535, the state's cap-and-trade program.

4.2.6 Governor's Office of Planning and Research's 2020 Updated EJ Element Guidelines

OPR published updated General Plan Guidelines in June 2020 that include revised EJ guidance in response to SB 1000. OPR has also published example policy language in an appendix document along with several case studies to highlight EJ-related policies and initiatives that can be considered by other jurisdictions. Section 4.8 of the General Plan Guidelines contains the EJ guidance. The guidelines offer recommendations for identifying vulnerable communities and reducing pollution exposure related to health conditions, air quality, project siting, water quality, and land use compatibility related to industrial and large-scale agricultural operations, childcare facilities, and schools, among other things. It provides many useful resources, including links to research, tools, reports, and sample general plans.

4.3 Sensitivity of Project Location

4.3.1 Community Description

As part of its Sustainable Communities Initiative, SMUD created and maintains the Sustainable Communities Resource Priorities Map,¹ which reflects several data sets related to community attributes that SMUD uses to identify historically underserved communities. One of the key components of the map is the California Communities Environmental Health Screening Tool (CalEnviroScreen Version 3.0), which identifies communities facing socioeconomic disadvantages or health disadvantages such as multiple sources of pollution. The Sustainable Communities Resource Priorities map provides an analysis of current data sets to indicate areas ranging from low to high sensitivity and can be used to describe the relevant socioeconomic characteristics and current environmental burdens of the Project area can be described. SMUD has determined that it will evaluate EJ effects for projects located in, adjacent to, or proximate to (e.g., within 500 feet of) a high-sensitivity area as shown on the Sustainable Communities Resource Priorities Map or located in a census tract with a CalEnviroScreen score of 71 percent or greater. The map was launched in 2020 and updated in December 2022.

The proposed Project alignment is located in areas designated as medium/high, medium, and medium/low sensitivity areas per the Sustainable Communities Resource Priorities Map (SMUD 2024). The nearest high-sensitivity area is located approximately 0.6-mile from the southern extent of the Project alignment. The Project area's sensitivity is due to its designation as an Opportunity Zone, a Disadvantaged Communities by state Senate Bill 535, an area where 25 percent of the population have an income below the Federal poverty line, and an area within high and medium zones for social vulnerability to climate change.

The Project is located in a census tract with a CalEnviroScreen scores ranging from 90-95 percent toward the southern extent of the alignment, 65-70 percent within western portion, and 55-60 percent at the eastern extent of the alignment. The high CalEnviroScreen score (90-95 percent) is associated with McClellan Airport and is driven by high pollution and low population levels. The pollution burden of the census tract is from low drinking water quality, a high concentration of groundwater and soil cleanup sites and solid waste facilities. The population characteristics of the census tract that contribute to a community's pollution burden and

¹ The Sustainable Communities Resource Priorities Map is available at https://usage.smud.org/SustainableCommunities/?_ga=2.223364443.1927542179.1598288052-1197903775.1589235097.

vulnerability include a high number of people experiencing asthma, low birth weight, cardiovascular disease, poverty, low housing affordability, and unemployment.

4.4 Environmental Conditions

This discussion references the analysis conducted in the Environmental Checklist of the IS/MND and provides additional detail with respect to the current environmental conditions in the Project area. Within CalEnviroScreen, the census tracts associated with the Project alignment's score is largely driven by the identification (within CalEnviroScreen) of the soil and groundwater conditions associated with McClellan Airport. The focus of this discussion is on environmental justice issues relevant to the Project.

- **Aesthetics:** The visual character of the Project alignment and the surrounding area is typical of the Sacramento County metropolitan area, which includes commercial and industrial buildings, residences, roads, utility lines, trees, and landscaping. A prominent feature along the Project alignment is the McClellan Airport.
- **Air Quality:** The Project alignment is located in an area adjacent to residential and industrial areas. Nearby industrial uses can contribute toxic air contaminants to the area during operation. Nearby receptors include residences along Winters Street, 20th Street, and Elkhorn Boulevard, several churches (True Life Church of God, New Testament Baptist Church, and New Life Church), and two schools (Vineland Preschool and Stillwaters Christian School).
- **Cultural Resources:** As noted in Section 3.5, "Cultural Resources," there are three known cultural resources along the Project alignment. However, the Project as currently designed would not alter or affect the physical aspect of these three sites and features.
- **Energy:** The area surrounding the Project alignment is served by SMUD for electricity and PG&E for natural gas. SMUD offers the Greenergy program that provides electricity generated with 100 percent renewable and carbon-free resources.
- **Greenhouse Gas Emissions and Climate Change Vulnerabilities:** The Project alignment is in an area that would likely be subject to increased heat stress from climate change. The Project alignment partially overlaps with a 100-year flood zone associated with Robla Creek (Sacramento County 2015).
- **Hazards and Hazardous Materials:** A majority of the alignment for Phase I runs adjacent to, or within the boundaries of the McClellan Business Park, which was historically a part of the McClellan Air Force Base (AFB). McClellan AFB was an active military facility from 1939 to 2001, and an AFB was identified for closure in 2001 under the Base Realignment and Closure Act (BRAC) and soil and groundwater remediation activities have been conducted under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).
- **Noise:** The Project alignment covers approximately 5.5 miles and is located along the western edge of the McClellan Air Business Park and northward within the community of Rio Linda in Sacramento County. There are sensitive receptors (i.e., residential uses)

throughout the Project alignment along Winters Street, 20th Street, and Elkhorn Boulevard.

- **Public Services:** Public services such as police and fire protection are available in the area.
- **Recreation:** The nearest park to the Project alignment is Dry Creek Parkway, a beltway park that extends north and south of “Q” Street, approximately 300 feet northwest from the Project alignment at the intersection of “Q” Street and 20th Street.
- **Transportation:** The Project alignment extends along Winters Street, Dean Street, Patrol Road, Ascot Avenue, 20th Street, and Elkhorn Boulevard. With the exception of Elkhorn Boulevard, dedicated bicycle facilities are not available. Regional Transit access points along the Project alignment are limited to a bus line along Elkhorn Boulevard.
- **Tribal Cultural Resources:** There are no known tribal cultural resources associated with the Project alignment.
- **Utilities:** Electricity in the area is provided by SMUD, gas service is provided by PG&E, sewer service is provided by Sacramento County Water Agency.

4.5 Evaluation of the Project’s Contribution to a Community’s Sensitivity

As noted previously, the Project would involve replacing approximately 5.5 miles of an existing above-ground 12 kV cable with 69 kV and 12 kV cables. The Project’s contributions to the community’s sensitivity are as follows:

- **Aesthetics:** There would be temporary and minor modification of views along the Project alignment during construction activities due to presence of construction equipment, which is common in urban areas. Because the power line alignment would occur along the same route as under the existing conditions, there would not be a substantial change to the aesthetic quality and character of the Project alignment.
- **Air Quality:** Construction-related activities would result in Project-generated emissions of ROG, NO_x, PM₁₀, and PM_{2.5} from construction activities (e.g., digging holes for pole installation, pouring cement) off-road equipment, material delivery, and worker commute trips, as discussed in Section 3.3., Air Quality, criterion (a). The Project, without the application of BMPs, would generate daily and annual emissions of PM₁₀ and PM_{2.5} in excess of the SMAQMD thresholds during construction activities (i.e., 0 lb/day). Implementation of Mitigation Measure 3.3-1 would require incorporation of SMAQMD’s BMPs during construction. As noted in Section 3.3, “Air Quality,” SMAQMD allows for a non-zero threshold for projects that implement BMPs, and with implementation of BMPs, the Project would not exceed SMAQMD’s non-zero threshold. As a result, emissions associated with the Project would not be considered substantial.
- **Cultural Resources and Tribal Cultural Resources:** The Project would not affect known cultural resources or tribal cultural resources. Mitigation measures identified in

Section 3.5, “Cultural Resources,” would be implemented to reduce potentially significant impacts related to accidental discovery of previously unknown cultural resources.

- **Energy:** The Project would not affect access to electricity because electrical service would be maintained throughout construction. Temporary use of grid-sourced energy and other fuel consumption would be associated with construction.
- **Greenhouse Gas Emissions and Climate Change Vulnerabilities:** The Project would not worsen the area’s flooding vulnerabilities because it would not affect the area’s topography or levee system.
- **Hazards and Hazardous Materials:** The use and handling of hazardous materials during construction would be conducted in a manner consistent with existing regulations. Mitigation Measure 3.9-1 requires that procedures outlined in the McClellan Business Park Soils Management Manual for Transfer Parcels would be followed and an encroachment permit from McClellan Park would be obtain, if necessary. These procedures would ensure that potential exposure of hazardous materials on construction workers and the public would not be substantial.
- **Noise:** Noise would be generated during construction, but it would be temporary, conducted in compliance with the City of Sacramento and County of Sacramento noise ordinances, and similar to other construction type noise that would occur within the surrounding area. No substantial increases in ambient noise levels at sensitive receptors in the area would occur.
- **Public Services:** The Project would not increase demand for public services or otherwise affect the provision of public services to the area.
- **Recreation:** The Project would not affect any parks or recreational opportunities.
- **Transportation:** During site preparation, auguring, and placement of poles, up to an entire lane may be used for staging. While roadway conditions would be restored to their pre- Project conditions, roadway, bicycle, transit access, and pedestrian throughfare may be temporarily affected during construction, thereby causing conflicts with circulation during construction. Implementation of Mitigation Measure 3.17-1 would require preparation and implementation of a traffic control plan that would maintain traffic safety and operations along the Project alignment.
- **Utilities:** The Project would not require municipal water, wastewater treatment, stormwater drainage, natural gas, or telecommunication facilities and therefore would not affect these facilities. Overall, the Project would improve consistency and necessary electrical capacity to the areas surrounding the Project alignment.

As described for each environmental resource area, the Project would not contribute to the community’s current sensitivity.

4.6 Summary of Environmental Justice Assessment

Per SMUD's Sustainable Communities Resource Priorities Map,² which reflects several data sets related to community attributes that SMUD uses to identify historically underserved communities, the Project alignment is located in areas designated as medium/high, medium, and medium/low sensitivity areas (SMUD 2024). This is due in part to the area's designation as the following:

- Opportunity Zone,
- Disadvantaged Community pursuant to SB 535,
- an area where 25 percent of the population have an income below the Federal poverty line, and
- an area within high and medium zones for social vulnerability to climate change.

However, the Project involves improvements to existing electricity infrastructure that provide electrical service to the Rio Linda community and McClellan Business Park. The Project does not have the potential to affect the community and/or worsen existing adverse environmental conditions. Therefore, ***no existing environmental justice conditions would be worsened*** as a result of the Project.

Although the Project would not worsen existing environmental justice conditions, as a leader in building healthy communities, one of SMUD's Sustainable Communities goals is to help bring environmental equity and economic vitality to all communities. By investing in underserved neighborhoods and working with community partners, SMUD is part of a larger regional mission to deliver energy, health, housing, transportation, education and economic development solutions to support sustainable communities. Sustainable Communities currently has two partnerships in the Project area:

- **Sierra Nevada Journeys:** With an investment from SMUD's Sustainable Communities, Sierra Nevada Journeys is conducting a community needs assessment in order to develop culturally relevant education materials. This information will be shared with SMUD/other local partners and will be used to develop curriculum that is pertinent to historically marginalized communities as well as inclusive of Black, Indigenous, and People of Color. The new curriculum will be deployed through Sierra Nevada Journeys' Classroom Unleashed Program.
- The mission of Sierra Nevada Journeys is to deliver innovative outdoor, science-based education programs for youth to develop critical thinking skills and to inspire natural resource stewardship. More than 50 percent of the students they serve are from low-income families and 61 percent are students of color, working with Title 1 schools in the area. In addition, Sierra Nevada Journeys strong working relationships with local Tribes.
- **Sacramento Native American Health Center(s):** The Sacramento Native American Health Center Inc. (SNAHC) is a non-profit, Federally Qualified Health Center, located in

² The Sustainable Communities Resource Priorities Map is available at https://usage.smud.org/SustainableCommunities/?_ga=2.223364443.1927542179.1598288052-1197903775.1589235097.

Midtown Sacramento. The health center is committed to enhancing quality of life by providing a culturally competent, holistic, and patient-centered continuum of care. There are no tribal or ethnic requirements to receive care here.

- SNAHC is community-owned and operated; a Board of Directors governs the center. Since the grand opening the center staff has grown to meet the needs of the community, 26 percent are Native American from both local and out-of-state Tribes.

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President Herber then called for public comment items not on the agenda.

Public comment, a copy of which is attached to these minutes, was received from the following member of the public:

- Jim Holt

President Herber then turned to Directors' Reports.

Director Sanborn reported on her attendance at Apple Hill Growers Farm to Fork Dinner and event, the Carmichael Chamber Luncheon where she introduced the guest speaker Assemblymember Josh Hoover, the Carmichael Chamber Honorary Mayor Mix & Mingle event, the San Juan Unified School District Electric School Bus Ribbon Cutting where she spoke, the Benito Juarez Foundation Gala & Awards Night, the Summer STEM Fest event at the Aerospace Museum, and the Carmichael Farmers Market Ride & Drive event where the EV Club of Sacramento provided an information table. She concluded by reporting on her attendance at the Center for Energy Efficiency & Renewable Technologies (CEERT) Clean Power Champions Awards.

Director Tamayo reported on his participation in neighborhood walks where he and SMUD staff provided residents with information about available programs, including the Energy Assistance Program Rate (EAPR) program. He then reported on his attendance at the SMUD Intern Showcase, a reception to celebrate the adoption of a resolution by the State Assembly recognizing Filipino American Heritage Month, meetings with Corey DeRoo of Florin Road Partnership, Bill Knowlton of Mack Road Partnership, Chinua Rhodes of Sacramento City Unified School District, and Connie Rusynyk of ACC Senior Services where they discussed what their organizations were doing and opportunities to leverage efforts. He reported on his attendance at the Apple Hill Growers Farm to Fork Dinner and event, his work with United Latinos, the Maharlika Lions Club, and the Sacramento Tree Foundation to bring trees to undercanopied areas in South Sacramento, and his attendance at a SMUD pollinator presentation provided by Kathleen Ave to the Sacramento Area

Beekeepers Association. He concluded by reporting on his attendance at the Capital College & Career Academy Solar Car Race for teenagers.

Director Kerth reported on his attendance at the Capital College & Career Academy Solar Car Race for middle schoolers, his meeting with Sparkz Energy to discuss their battery storage facility coming to the Metro Air Park, his participation in the National Night Out event at Natomas Regional Park, and his speaking engagement with the Twin Rivers Unified School District ribbon cutting for its new all-electric Northlake TK-8 School. He concluded by announcing that Sammy's Restaurant had recently re-opened on Del Paso Boulevard and had worked with SMUD design team staff to get almost all electric appliances.

Director Tamayo noted that he had failed to mention the art show provided by SMUD employees and retirees at the SMUD Customer Service Center.

Vice President Fishman reported on his participation in the SMUD Cares Bowling Tournament, as well as his attendance at the opening of the Black Honors College at Sac State and the Power Inn Alliance property-based business improvement district (PBID) mixer.

Director Bui-Thompson stated she did not have anything to report.

Director Rose reported on his attendance at the Apple Hill Growers Farm to Fork Dinner and event, his participation at Giving Monday at the State Fair for SMUD Cares, and his attendance at the Center for Energy Efficiency & Renewable Technologies (CEERT) Clean Power Champions Awards.

President Herber reported on her attendance at the State of the County address provided by Supervisor Pat Hume, her speaking engagement at the Museum of Science and Curiosity (MOSAC) Sip & Support event, and her attendance at the American Public Power Association (APPA) Policy Makers meeting in Washington, D.C. She concluded by reporting on her speaking engagement at the Mark Whisler Boards and Commissions Leadership Institute training hosted by Tamie Dramer and Organize Sacramento.

Paul Lau, Chief Executive Officer and General Manager, thanked the Board for their activity in the community and representation of SMUD. He then reported on the following items:

1) **Crozier Fire Update.** I would like to start my report by sharing the latest on the Crozier Fire. SMUD teams have been closely monitoring the situation since the fire broke out last week because of the proximity to our Upper American River Project (UARP) hydro facilities. I am pleased to report the fire is now 44% contained and poses no threat to our assets at this time. As always, I am thankful to the collaborative work of the SMUD team for being prepared should action be needed. And also taking care of nine employees who were impacted by the fire, and I know staff is doing a good job of giving the assistance needed.

2) **California State Fair.** We had another strong presence at this year's California State Fair - we were out there proudly connecting with our customers and community in many ways. First, we again hosted SMUD Giving Mondays to benefit the Elk Grove Food Bank. All told, we collected more than 18,000 pounds of food at the two Giving Monday Canned Food Drives. We also helped educate fairgoers about our 2030 Zero Carbon goal. I am excited that thousands of people "Joined the Charge" to be Clean PowerCity Champions and received free energy-efficient LED light bulbs and information about how they can make simple changes to save energy, money and the environment. We signed up close to 9,000 people at the fair to Join the Charge, and people were excited about getting the SMUD bags. We also educated fairgoers on the benefits of induction cooking at 11 cooking demonstrations. Thanks to all who came out to support SMUD at the fair, and thanks to all the volunteers, including Director Rose and many executives, for

giving your time to connect with our community. Great job to the team for putting on such a successful presence!

3) **SMUD Cares Fundraisers.** I want to give a big shout out to the 34 teams who made this year's SMUD Cares bowling fundraising tournament a success! Tournament proceeds went to the winning team's selected nonprofit, United Way. With our Golf Tournament coming up tomorrow – and many other activations over the next few months – SMUD employees are gearing up to give back. Last year, employees personally donated more than \$421,000 dollars and volunteered more than 2,600 hours through SMUD Cares! Over the last decade, employees have given approximately \$8 million back to the community. I am very proud of our generous and passionate employees, and I cannot wait for the rest of the giving season to see what we can raise and accomplish together in the name of giving back! Every year we set a target higher than last year, and every single year, our employees come through. This is a huge testament to how much our employees love our community.

4) **Intern Programs.** Speaking of employees, our 2024 summer college and high school intern programs are wrapping up. It was another successful year with 13 high school interns and 35 college interns working on the SMUD campuses this summer in departments from IT, Grid Operations, and Veg Management. That is 12 more interns than last summer! We are proud of our award-winning internship program and that future leaders have the opportunity to explore various career paths here. As you know, I am a walking advertisement for SMUD's intern program after receiving my start at SMUD as an intern while I was at Sac State back in 1982. And I never looked back, and as they say, Stingers Up – it's really great to see what President Wood is

doing and bringing excitement into the campus. Our programs do a wonderful job of fostering and cultivating our youth with valuable work experience here, and all in a very diverse, inclusive workplace culture. Thank you to everyone at SMUD who played a part in supporting our summer interns.

5) **Awards.** Now, I am proud to share SMUD's latest awards. In August, our educational programs were recognized by the Ragan Corporate Social Responsibility and Diversity Award. And our community partnerships program was awarded the Outstanding Public Service award by Asian Resources Inc. It is gratifying to see our continued commitment to education and partnership honored in this way. Congrats to all!

6) **Board Video.** Tonight's video focuses on Building Leadership Talent – SMUD's home-grown leadership development program - and the great work our 13th cohort has been doing. BLT develops talent within the organization and helps individuals find success. We are thrilled to have some representatives from the cohort here with us tonight.

President Herber requested the Summary of Board Direction, but there were no items.

No further business appearing, President Herber adjourned the meeting at 7:06 p.m.

Approved:

President

Secretary

Exhibit to Agenda Item #12

Adopt the California Environmental Quality Act (CEQA) Initial Study and Mitigated Negative Declaration (IS/MND) for the Elverta-McClellan 69kV Feeder Tie Project (Project); adopt the Mitigation Monitoring and Reporting Program; and approve the Project.

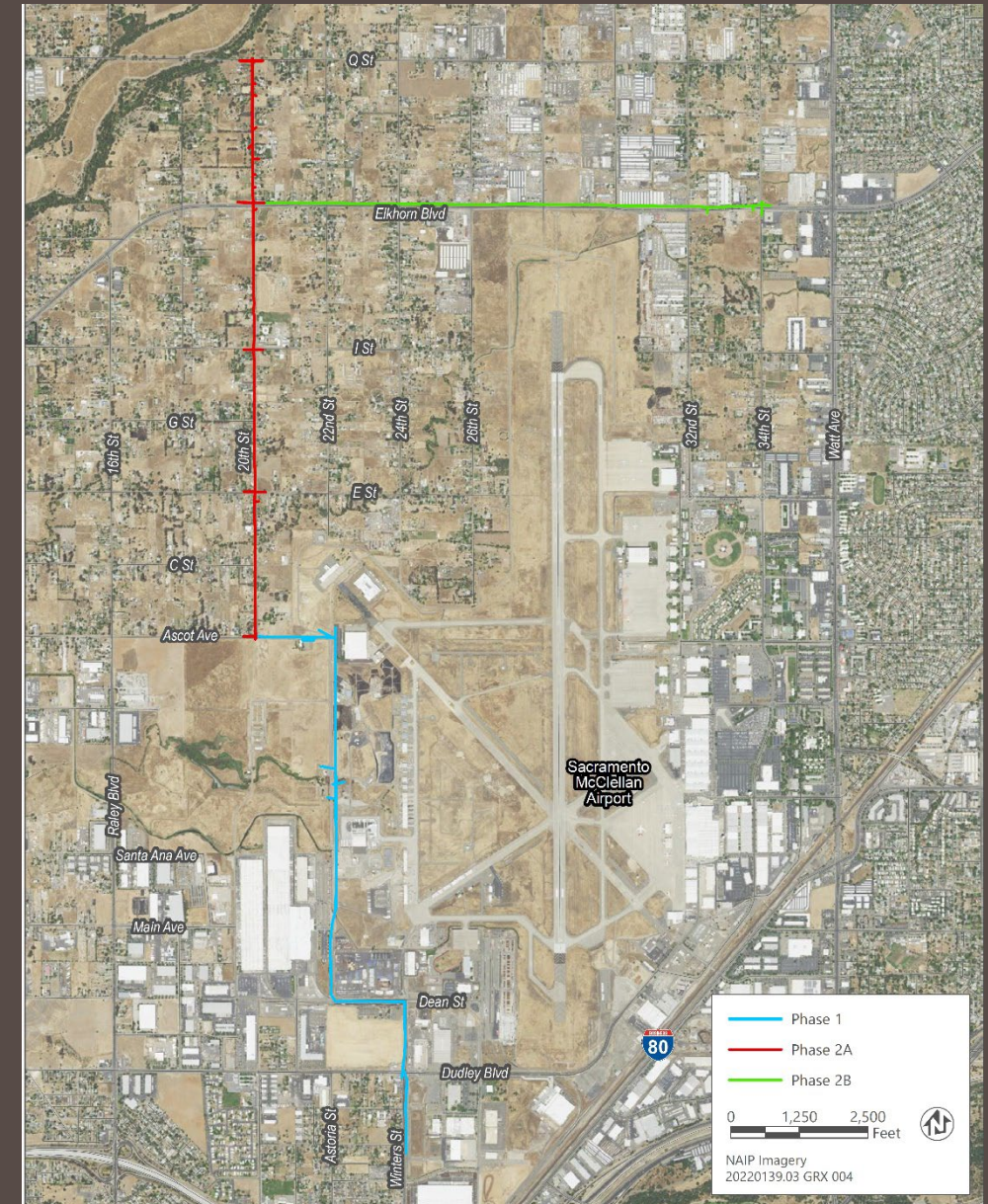
Board of Directors Meeting

Thursday, August 15, 2024, scheduled to begin at 6:00 p.m.

SMUD Headquarters Building, Auditorium

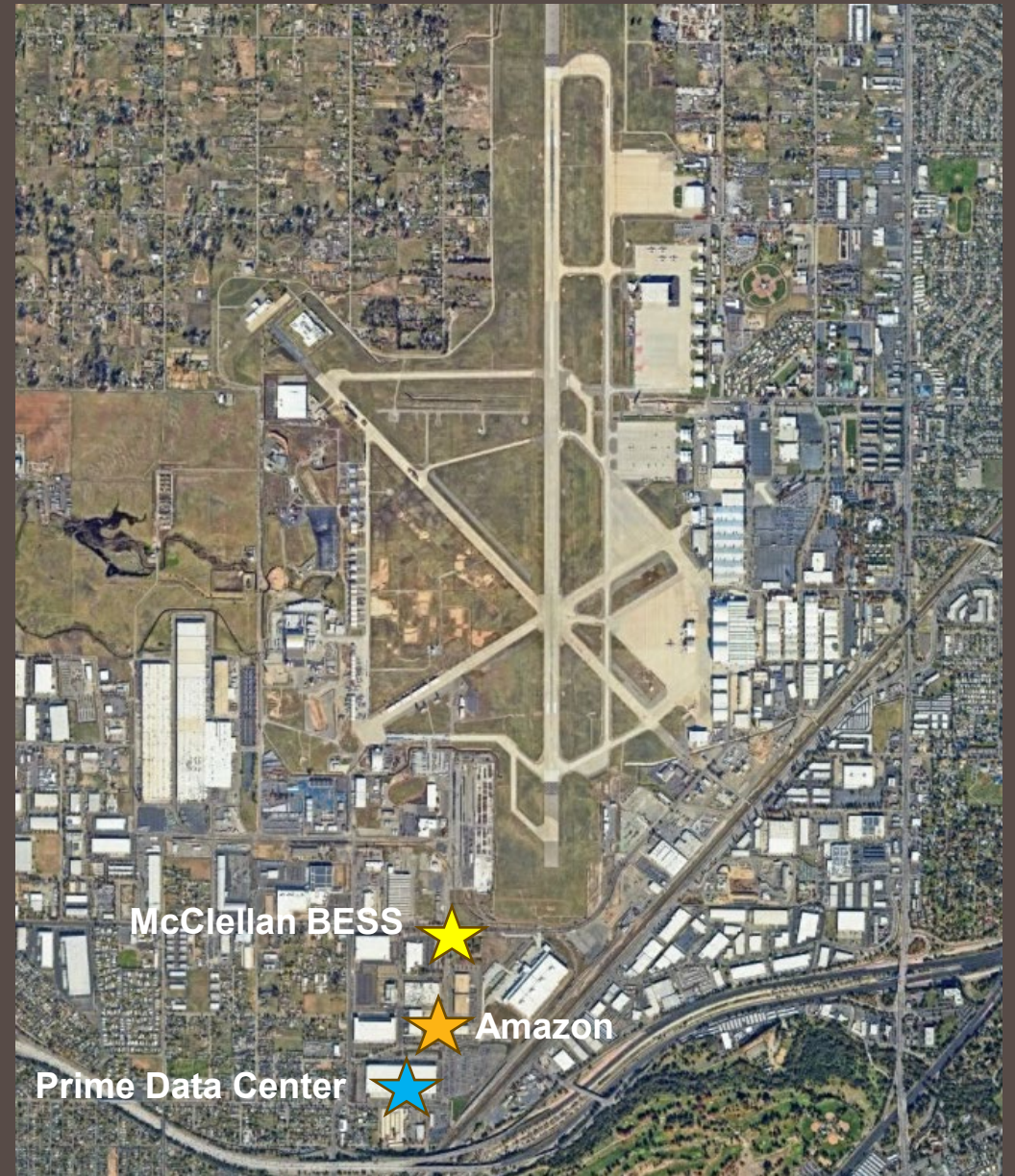
Project Overview

- Upgrade 5.5 miles of existing 12kV distribution line with 69kV and 12kV cables
- Constructed in three phases
 - Phase 1 – Double-circuit 69kV/12kV underbuild
 - Phase 2A – Double-circuit 69kV/12kV underbuild
 - Phase 2B – Single-circuit 69kV/12kV underbuild
- Requires 140 replacement poles and 10 new poles
- Anticipated construction time of 12 months
- Construction to begin in October 2024



Project Benefits

- Supports anticipated load growth for the McClellan Business Park
 - Prime Data Center expansion
 - Amazon EV fleet charging expansion
 - SMUD McClellan BESS Project
- Help maintain dependable power to the McClellan and Rio Linda areas
- Provide greater operational flexibility between circuits and substations in the area



Visual Sim at Ascot Ave & 20th St.

Current View



Simulated View



August 15, 2024

4

Board of Directors Meeting

20220139.03 GRX 002

Environmental Analysis

- Prepared a Mitigated Negative Declaration (MND)
- Potentially significant impacts reduced to less-than-significant levels with mitigation measures related to:
 - Air Quality
 - Biological Resources
 - Cultural Resources
 - Geology/Soils
 - Transportation/Traffic
 - Tribal Cultural Resources

Public Review Process

- Notice of Intent and Draft MND released for 30-day public comment period May 13, 2024
- Published at SMUD.org, Sacramento Bee, and State Clearinghouse
- Notices mailed to property owners and customers within 1.000 feet of the project
- Documents available at SMUD Customer Service Center and East Campus Operations Center and at <https://www.smud.org/Corporate/About-us/Company-Information/Reports-and-Statements/CEQA-Reports>
- Public meeting held at McClellan Park Officer's Club on May 28, 2024
- One comment letter from Central Valley Regional Water Quality Control Board (CVRWQCB)
- Final MND posted on July 19th and provided to CVRWQCB

Tribal Consultation under CEQA

- Initial outreach on November 22, 2023
- Tribes Contacted:
 - Lone Band of Miwok Indians
 - Shingle Springs Band of Miwok Indians
 - United Auburn Indian Community (UAIC)
 - Wilton Rancheria
- Lone and UAIC responded with no identified issues
- No AB 52 consultation was requested

Requested SMUD Board Action

1. Adopt the California Environmental Quality Act (CEQA) Initial Study and Mitigated Negative Declaration (IS/MND) for the Elverta-McClellan 69kV Feeder Tie Project (Project);
2. Adopt the Mitigation Monitoring and Reporting Plan for the Project; and
3. Approve the Project

From: [jim.holt](#)
To: [Public Comment](#)
Subject: [EXTERNAL] FIC
Date: Friday, July 19, 2024 11:35:19 AM

CAUTION: This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Here's another month when the FIC is nearly double the cost of actual energy usage. Entirely appropriate, would say SMUD Board Member Fishman, and I quote "before the FIC--the per KWh rate covered that cost...but that meant that people who used a lot of energy were paying far more than their share of the fixed costs. People who use very little were paying far less than their fair share". Right on Gregster, those who use larger amounts of energy need to be rewarded by way of subsidization. Even though the FIC, a normal cost of doing business, GF believes that it should be separated from the KWh. What a perverted way of thinking- putting a greater burden on those who make effort to conserve. Right the wrong.

Jim Holt

SMUD Account [REDACTED]

The Board of Directors of the Sacramento Municipal Utility District met in special session simultaneously in the Arden Conference Room of the SMUD Headquarters Building at 6201 S Street, Sacramento, telephonically at 151 E. Wacker Drive, Chicago, IL, and via virtual meeting (online) at 6:05 p.m.

Roll Call:

Presiding: President Herber

Present: Directors Rose, Bui-Thompson (telephonically), Fishman, Kerth, and Tamayo

Absent: Director Sanborn

Present also were Jose Bodipo-Memba, acting Chief Executive Officer and General Manager; Laura Lewis, Chief Legal & Government Affairs Officer and General Counsel and Secretary; and SMUD employees and visitors.

President Herber called for approval of the agenda. Vice President Fishman moved for approval of the agenda, Director Kerth seconded, and the agenda was approved by a vote of 6-0, with Director Sanborn absent.

President Herber then turned to Discussion Calendar Item 2, to appoint the following person who filed the only declaration of candidacy for SMUD Ward 2 to serve on the SMUD Board of Directors for the four-year term commencing January 1, 2025, through December 31, 2028, pursuant to section 11852.5 of the Public Utilities Code: Ward 2, Nancy N. Bui-Thompson.

President Herber asked General Counsel Lewis to give some background on the item.

Ms. Lewis stated that SMUD had received the Certificate of Facts from the Sacramento County Registrar on Friday confirming that only one person filed a declaration of candidacy for SMUD Ward 2, Nancy N. Bui-Thompson, and requesting that in accordance with law, the Board appoint Nancy Bui-Thompson to a four-year term commencing January 1, 2025.

No public comment was forthcoming on Discussion Calendar Item 2.

Director Tamayo moved for approval of Discussion Calendar Item 2, Director Kerth seconded, and Resolution No. 24-08-10 was approved by a vote of 6-0, with Director Sanborn absent.

RESOLUTION NO. 24-08-10

WHEREAS, Section 11852.5 of the Public Utilities Code, provides that the county elections official shall submit a Certificate of Facts to the SMUD Board when no one or only one person has filed for candidacy in a particular ward by 5:00 p.m. on the 83rd day prior to the fixed day for the general election; and

WHEREAS, Section 11852.5 further states that, at the time that it submits the Certificate of Facts, the county elections official shall inform the Board that it may make an appointment if only one person has filed a declaration of candidacy for a ward; and

WHEREAS, the 83rd day prior to the day for the general election fell on August 14, 2024; and

WHEREAS, the county elections official has delivered a Certificate of Facts to SMUD stating that, as of August 16, 2024, only one person filed a declaration of candidacy for **Ward 2** and requesting that the Board make an appointment; and

WHEREAS, the Board must make the appointment at a special or regular meeting on or before the 76th day prior to the general election; and

WHEREAS, making the appointment will save SMUD ratepayers the expense of an election in a circumstance in which the candidate was unopposed; and

WHEREAS, the Board convened a special meeting on August 20, 2024, for the purpose of making the appointment; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

That this Board hereby acknowledges receipt of the Certificate of Facts set forth in **Attachment A** from the county elections official, and pursuant to Section 11852.5 of the California Public Utilities Code hereby appoints the following person to serve as a member of the SMUD Board of Directors for the

Ward indicated, and who shall take office and serve exactly as if elected at the general district election:

Ward 2 Nancy N. Bui-Thompson January 1, 2025 – December 31, 2028

Approved: August 20, 2024

INTRODUCED: DIRECTOR TAMAYO				
SECONDED: DIRECTOR KERTH				
DIRECTOR	AYE	NO	ABSTAIN	ABSENT
HERBER	X			
ROSE	X			
BUI-THOMPSON	X			
FISHMAN	X			
KERTH	X			
TAMAYO	X			
SANBORN				X



COUNTY OF SACRAMENTO VOTER REGISTRATION AND ELECTIONS

CERTIFICATE OF FACTS

STATE OF CALIFORNIA }
County of Sacramento } ss.

I, HANG NGUYEN, Registrar of Voters of the County of Sacramento, State of California, do hereby certify that the number of nominees for the office of **Director, Sacramento Municipal Utility District Ward 2** did not exceed the number of offices to be filled at the November 5, 2024 Presidential General Election.

Ward 2

Number of positions: 1
Number of qualified candidates: 1

A petition signed by 10% of the voters or 50 voters, whichever is the smaller number, in the district or division if elected by division, requesting that the Presidential General Election be held has not been presented to me.

In accordance with §11852.5 of the Public Utilities Code, I hereby request Sacramento Municipal Utility District board will appoint to such office the following persons who filed a declaration of candidacy, and who shall take office and serve exactly as if elected at the Presidential General Election.

Nancy N. Bui-Thompson – Ward 2

Witness My Hand and Seal this 16th day of August, 2024.

HANG NGUYEN
REGISTRAR OF VOTERS
County of Sacramento
State of California

President Herber then called for public comment items not on the agenda.

Public comment, a copy of which is attached to these minutes, was received from the following member of the public:

- Michael Shorter

Director Bui-Thompson apologized that she was unable to attend the meeting in person. She thanked the Board and the community for having faith in her over the last four terms and stated she was excited to serve and see what would be accomplished on the way to 2030.

No further business appearing, President Herber adjourned the meeting at 6:12 p.m.

Approved:

President

Secretary

From: [Michael Shorter](#)
To: [Public Comment](#)
Subject: [EXTERNAL] 8/20 Special Meeting: Battery Storage Rebate Pause
Date: Tuesday, August 20, 2024 3:35:23 PM

CAUTION: This email originated from outside of SMUD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good Evening,

On August 13, 2024, I signed a contract for a Solar+Battery installation, specifically with the expectation of reducing upfront costs through the SMUD Battery Rebate. However, on August 19, 2024, I was informed that SMUD is pausing this rebate program. While I understand that staff is still in the process of addressing customer concerns, I strongly request a prompt follow-up via email (mts@cpa.com) with more detailed information regarding the reason for this pause and what it means for customers like myself.

Thank you.



Michael Shorter CPA, MSA
Government Advisory

[1-707-685-3071](tel:1-707-685-3071) | MTS@CPA.com



App Banner Image



SSS No. E,S,RES 24-08

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Policy – September 11, 2024
Board Meeting Date September 19, 2024

TO	TO
1. Frankie McDermott	6.
2. Suresh Kotha	7.
3. Brandy Bolden	8.
4. Farres Everly	9. Legal
5. Claire Rogers	10. CEO & General Manager

Consent Calendar	<input checked="" type="checkbox"/>	Yes		No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/>	Yes		No <i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) Ellias van Ekelenburg	DEPARTMENT Env, Safety, and Real Estate Services	MAIL STOP B209	EXT. 7475	DATE SENT 8/15/2024
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NARRATIVE:

Requested Action: Accept the monitoring report for **Strategic Direction SD-7, Environmental Leadership.**

Summary: The purpose of this meeting is to facilitate a discussion with the SMUD Board of Directors on Strategic Direction SD -7, Environmental Leadership. The presentation will briefly summarize SMUD’s internal and external environmental programs and initiatives that promote environmental leadership.

Board Policy: Strategic Direction SD -7, Environmental Leadership
(Number & Title)

Benefits: Provide clarification of environmental leadership, as defined in Strategic Direction SD-7, Environmental Leadership to better guide SMUD staff’s interpretation and actions to fulfill this direction.

Cost/Budgeted: Contained in budget for internal labor.

Alternatives: Provide information via written report through the Chief Executive Officer and General Manager.

Affected Parties: SMUD customers and employees

Coordination: SMUD Environmental Services, Resource Planning, and Energy Strategy, Resource, & Development, Sustainable Communities

Presenter: Ellias van Ekelenburg, Director Environmental Safety & Real Estate Services

Additional Links:

SUBJECT Annual Strategic Direction SD-7, Environmental Leadership Monitoring Report	ITEM NO. <i>(FOR LEGAL USE ONLY)</i> 6
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: August 28, 2024

FROM: Claire Rogers *CR 8/28/24*

**SUBJECT: Audit Report No. 28007750
Board Monitoring Report; SD-7: Environmental Leadership**

Internal Audit Services (IAS) received the *SD-7 Environmental Leadership 2023 Annual Board Monitoring Report* and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

CC:

Paul Lau

Board Monitoring Report 2023

SD-7 Environmental Leadership



1. Background

Environmental leadership is a core value of SMUD. In achieving this directive, SMUD will:

- a. Conduct its business affairs and operations in a sustainable manner by continuously improving pollution prevention, minimizing environmental impacts, including Tribal and other cultural impacts, conserving resources, and promoting equity within SMUD's diverse communities.
- b. Provide leadership and innovation to improve air quality and reduce greenhouse gas emissions.
- c. Promote the efficient use of energy by our customers.
- d. Advance the electrification of vehicles, buildings, and equipment.
- e. Attract and build partnerships with customers, communities, policy makers, the private sector, and other stakeholders.

2. Executive Summary

SMUD's focus on environmental leadership is evident in our Enterprise Strategy Pillar II, 2030 Clean Energy Vision and Zero Carbon Plan. It includes transparent reporting of greenhouse gas (GHG) emissions, natural resource stewardship and our concerted efforts to make all of our communities more sustainable. This report highlights some of the accomplishments SMUD achieved in 2023 to showcase our commitment to environmental leadership.

SMUD is compliance with the five tenets of SD-7 and successes include making CDP's (formerly known as the Carbon Disclosure Project) "A- List" for tackling climate change. Our efforts are highlighted in the following Appendices: Appendix A (2015-2023 SMUD GHG Emissions Trends), Appendix B (Sustainable Communities Deliverables and Accomplishments To-Date), and Appendix C (List of Acronyms).

3. Additional Supporting Information

CDP 2030 Clean Energy Vision and Zero Carbon Plan

For decades, SMUD has been a leader in clean energy and carbon reduction. SMUD's goal to eliminate carbon emissions from our power supply is more ambitious than the already aggressive state mandates and is ahead of virtually all other utilities in the United States. Our 2030 Zero Carbon Plan is a flexible road map to achieve our zero carbon goal while ensuring all customers and communities we serve reap the benefits of decarbonization. Zero carbon emissions bring benefits not only globally, but also locally with reduced GHG emissions, improved local air quality, job creation opportunities, and leadership as we move away from the use of fossil fuels.

Greenhouse Gas (GHG) Emissions

SMUD is a leader in addressing global climate change and is an active member of The Climate Registry (TCR). SMUD reports its third-party verified GHG emissions to the California Air Resources Board (CARB), TCR and CDP. We also report sulfur hexafluoride (SF6) emissions and GHG emissions from thermal power plants to the US Environmental Protection Agency (EPA).

For 2023, GHG emissions were approximately 1.58 million metric tons carbon dioxide equivalent

(CO₂e)¹. This is a decrease of 503 thousand metric tons from 2022 emissions; a trend going back to 2015 (which was an especially severe drought year) can be found in Appendix A. Fluctuations in total emissions year-to-year are primarily attributable to hydroelectricity production, availability of ACS (Asset Controlling Supplier) low-carbon power and natural gas contract rates. In 2023, we were able to rely on electricity generation from Rancho Seco Solar II and the Geysers geothermal facility which reduced emissions by 400 thousand metric tons. As we bring on new zero-carbon generation projects and continue to purchase greater quantities of zero and lower emissions-intensity power, we expect emissions to decrease. A breakdown of emissions by thermal power plant, and power purchases, with comparisons between 2022 and 2023 can be found in Appendix A.

In 2023, we started sharing our quarterly generation and estimated GHG emissions from the gas plants we own, and the power purchased for the Calpine Sutter gas plant, at smud.org. The planned and actual GHG emissions from our fossil fuel generation reflect total emissions to serve SMUD customer energy needs and market sales to support California and other neighboring states. GHG emissions are estimated using 2022 emissions factors, which is the most recent year that the California Air Resources Board (CARB) verified data is available for.

TCR Climate Registered™ Platinum Status

For the fifth year in a row, SMUD was awarded Climate Registered™ Platinum status by TCR, a non-profit organization which designs and operates voluntary and compliance GHG reporting programs. To date, SMUD has submitted over 13 years of verified inventories to TCR. Climate Registered™ Platinum level recognition is the second highest tier that can be achieved which SMUD earned by publicly reporting its third-party verified GHG emissions inventory for its operations in 2022, and by setting and disclosing its ambitious GHG reduction goals. GHG inventory data enables us to track the effectiveness of our climate initiatives and GHG reductions over time.

CDP

SMUD was recognized for our leadership in corporate sustainability by global environmental non-profit CDP (formerly Carbon Disclosure Project), attaining leadership level for 4 straight years and securing an A- on our 2023 disclosure. In our 6th year of disclosing with CDP our score is higher than both the North American regional average of C and the thermal power generation sector average of B. Within our sector (thermal power generation), we're among the 36% of companies that reached the leadership level (A or A-). SMUD was recognized for our work related to climate impacts, risks and opportunities, and actions to cut carbon emissions, mitigate risks and develop a low-carbon economy. CDP's annual environmental disclosure and scoring process is widely recognized as the gold standard of corporate environmental transparency.

Fleet Emissions Reduction and Equipment Electrification

Internally, SMUD has been replacing gas/diesel-powered equipment with equivalent electric/battery powered tools where they are available from the market, such as chain saws, trimmers, blowers, and generators. As of 2023, 53% of the equipment is now battery powered. Our goal is to convert 100% of the equipment to battery powered by the end of 2024.

Similarly to tools, SMUD is also focused on reducing emissions generated by our fleet. This is being accomplished through alternative fuel usage, idle reduction and vehicle electrification where the technology is available. Since 2016, SMUD has measured:

¹ The 2023 GHG emissions value represents emissions associated with delivering power to SMUD customers and does not include emissions associated with the net wholesales into the market. The 2023 emissions from wholesale power are approximately 0.7932 million metric tons of CO₂.

- GHG Emissions Reduction through Vehicle Electrification, increasing from 1.0 MTCO₂e in 2016 to a reduction of 37.5 MTCO₂e in 2023.
- Electric vehicle miles driven have increased from 2,462 on 2016 to 135,551 in 2023
- Total emissions generated from combustion of fossil fuels by the Fleet have also been reduced from 5,553 MTCO₂e in 2016 to 4,803 MTCO₂e in 2023. Fuel Economy has increased from 7.48MPG in 2016 to 8.82MPG in 2023.

Sustainable Communities

SMUD's Sustainable Communities program focuses on healthy neighborhood environments, improving education, creating jobs, improving access to transportation and more. We're committed to improving environmental equity and economic vitality in every community we serve. Special attention is being given to historically under-resourced neighborhoods. Since 2018, SMUD has invested more than \$35 million in our Sustainable Communities community-based partnerships and programs, supporting an inclusive and equitable clean energy future. In 2023, Sustainable Communities invested more than \$4.4 million into clean energy solutions supporting our customers and communities.

By aligning our Sustainable Communities efforts with the 2030 Zero Carbon Plan, we're ensuring that all communities in Sacramento share in the benefits of the clean energy transition, including health benefits from improved air quality, new jobs, and resilience to climate change.

In 2019, we created the Sustainable Communities Resource Priorities Map, which analyzes current data to identify the local areas most likely to be under-resourced or in distress due to lack of community development, income, housing, employment opportunities, transportation, medical treatment, nutrition, education and clean environment. This map allows SMUD to analyze how various energy programs and projects can be enhanced or expanded to improve equity, incorporating what community members themselves feel is needed to achieve a more equitable energy future. In 2023, the map was updated with new real-time data and metrics to identify neighborhood carbon emissions and tree canopy cover. This 3rd iteration of the map will help inform resource allocation, reduce growing economic disparity in Sacramento County and ensure the benefits of our 2030 Zero Carbon Plan are equitably shared among all communities.

To answer the call for a just and equitable clean energy transition, we developed our Community Impact Plan (CIP) in 2022, magnifying the commitment to make meaningful investments in under-resourced communities to ensure their participation in a clean energy future. Since the launch of our Community Impact Plan, we've diversified clean energy programs to make them accessible to more residential customers, created equitable pathways to living wage zero carbon jobs through regional workforce outreach, education and training and focused on investing in the small business community through meaningful and impactful partnerships.

One example partnership is with Soil Born Farms. It is a non-profit farm and education center which empowers youth and adults to participate and promote urban agriculture, sustainable food systems and healthy food education. Through our Shine Awards program, SMUD funded the purchase of an electric tractor which is used to harvest lettuce to feed our region's children, thanks to the Farm's partnership with Sacramento City Unified School District Central Kitchen.

Sacramento Tree Foundation (STF) Sacramento Shade Program

In 2023, the STF distributed 11,937 trees as part of its Sacramento Shade program, an increase of 25%. A total of 3,872 trees were planted in Disadvantaged Communities (an 18% increase). The total carbon (stored in biomass and avoided) for these trees is estimated at 49,766.55 metric tons. To better understand issues related to tree planting and care, STF community liaisons actively engage residents to help resolve tree planting impediments.

Right-of-Way Stewardship Council

The Right-of-Way Stewardship Council (ROWSC), an accreditation program that establishes standards for responsible environmentally sustainable right-of-way vegetation management, re-accredited SMUD with a “Right-of-Way Steward Award” for our sustainable Integrated Vegetation Management on our electric transmission right-of-way systems.

The ROWSC Accreditation program evaluates environmental stewardship standards of excellence for utility vegetation management along rights-of-way (ROW). The goal of the program is to promote and recognize vegetation management industry best practices that maintain and protect grid reliability, safety and provide ecological and natural resource, species and habitat benefits.

COP 28

SMUD Board President Heidi Sanborn and Board Member Brandon Rose joined CEO & General Manager Paul Lau and Chief Legal Officer Laura Lewis in attending COP28 the United Nations Climate Change Conference. It’s the highest decision-making process on climate issues that convenes over 70,000 delegates, including heads of state and world leaders, to build consensus and facilitate progress on climate action among parties, delegates and thousands of non-governmental organizations, companies, youth groups and other stakeholders.

SMUD representatives coordinated with the Sacramento Air Quality Management District and the Climate Registry to attend COP28 as part of the Business Council for Sustainable Energy’s (BCSE) U.S. delegation alongside 35+ other US organizations. During COP28 SMUD joined the Utilities for Net Zero Alliance, which is a global alliance organized by the International Renewable Energy Agency.

2023 Green Bonds

SMUD was recognized by the Climate Bonds Initiative as the first US Issuer of a Certified Bond under the Climate Bond Standard v4 in the Electrical Grids and Storage Sector. Having this designation allows us to target investors that place a premium on Green/Climate Certified bonds and may lower borrowing costs by increasing demand in the marketing of the bonds. Thanks to the work of the Treasury team, we had a very successful offering of our first-ever Climate Certified Green Bonds. In fact, investor demand for our bonds was so strong, it resulted in orders for 4x the amount of bonds we had to sell.

Power-in-Pollinators Initiative / Biodiversity & Habitat Working Group

SMUD is an active member of and co-chaired the Electric Power Research Institute’s (EPRI) Power-in-Pollinators initiative, which exists to promote and expand pollinator conservation among energy utilities. The partnership shares the latest scientific findings, case studies and tools to assist with the integration of pollinator-friendly practices into utility vegetation, facilities, and land management. SMUD’s efforts to support pollinator habitat span multiple departments including Environmental Services, Power Generation, Vegetation Management, Facilities, Real Estate, Customer & Grid Strategy, Marketing & Communications, Legal, Sustainable Communities and Advanced Energy Solutions which collaborate on both research and operational practices. Past or ongoing projects include Sacramento Shade which offers free flowering trees to customers, native plant giveaways at community events, a multi-year ecosystem research project at our Rancho Seco Solar facility, a collaborative transmission right-of-way research project and a Monarch Habitat Assessment for our service territory. Projects undertaken in 2023 include:

- Completed Phase 1 installation of a native plant pollinator garden at SMUD’s Orangevale substation, in coordination with the Cripple Creek trail project;

- Supported installation of SolaBee hives at 4 SMUD locations. The Biodiversity & Habitat Conservation Working Group toured and learned about Sacramento State’s hive operations.
- Created a “Meet the Beekeepers” profile of SMUD employees and one Director which was shared internally and posted publicly at www.smud.org/pollinators
- Collaborated with the CNPS Sacramento Chapter on 2023 Earth Day native plant giveaway and the use of donated plants at the Orangevale Substation pollinator garden.
- Collaborated with SMUD Tradeshow, Environmental Services and Sustainable Communities teams to purchase 10,000 Central Valley Native Seed packets to give away at SMUD’s 2024 events.
- Began a collaborative project with Eldorado Community Services District for a bike park and pollinator garden within our easement.

Resource Conservation

Our Solano 4 Wind Project consisted of removing 23 old wind turbines from Solano 1 and constructing 19 brand-new, bigger, and more efficient turbines. In an effort to make a greener and cleaner planet, SMUD avoided using landfills for the old turbine blades and kept the metal towers out of scrap yards and waste areas by rehoming them. Most were re-installed at other sites, and some were used for spare parts to fix existing units. Now with new owners at various locations, the old turbines have continued their operational life and are back to providing carbon-free energy. This was a big win for SMUD, our environment, and our planet. All told, that’s more than 3.7 million pounds of material (from the 23 old turbines) that we were able to rehome and keep out of local landfills.

SMUD’s waste diversion rate was 38% in 2023, which is lower than our goal of 75%. However, our total waste amount generated in 2023 was 8,333 tons compared to 12,454 tons in 2022 and our 2023 amount included two new waste streams that had not previously been tracked - wood pole and wet spoils waste. The main driver for the lower 2023 rate was fewer construction and demolition projects, of which 65% of the nonhazardous debris has to be recycled or salvaged for reuse. Additionally, Sacramento experienced unprecedented storms during the winter of 2023, resulting in damage to 450 utility poles. Utility poles cannot be recycled, which added to the overall waste stream.

4. Challenges

In 2023, challenges associated with meeting the SD-7 goals were related to Zero Carbon Plan projects. As we continue to look for opportunities to build solar projects in Sacramento County and retrofit our existing infrastructure to accommodate the increased load associated with building electrification, electric vehicles, and new development in the downtown Sacramento area, we are encountering new constraints that require increased funding as we try to navigate towards mitigation solutions.

5. Recommendation

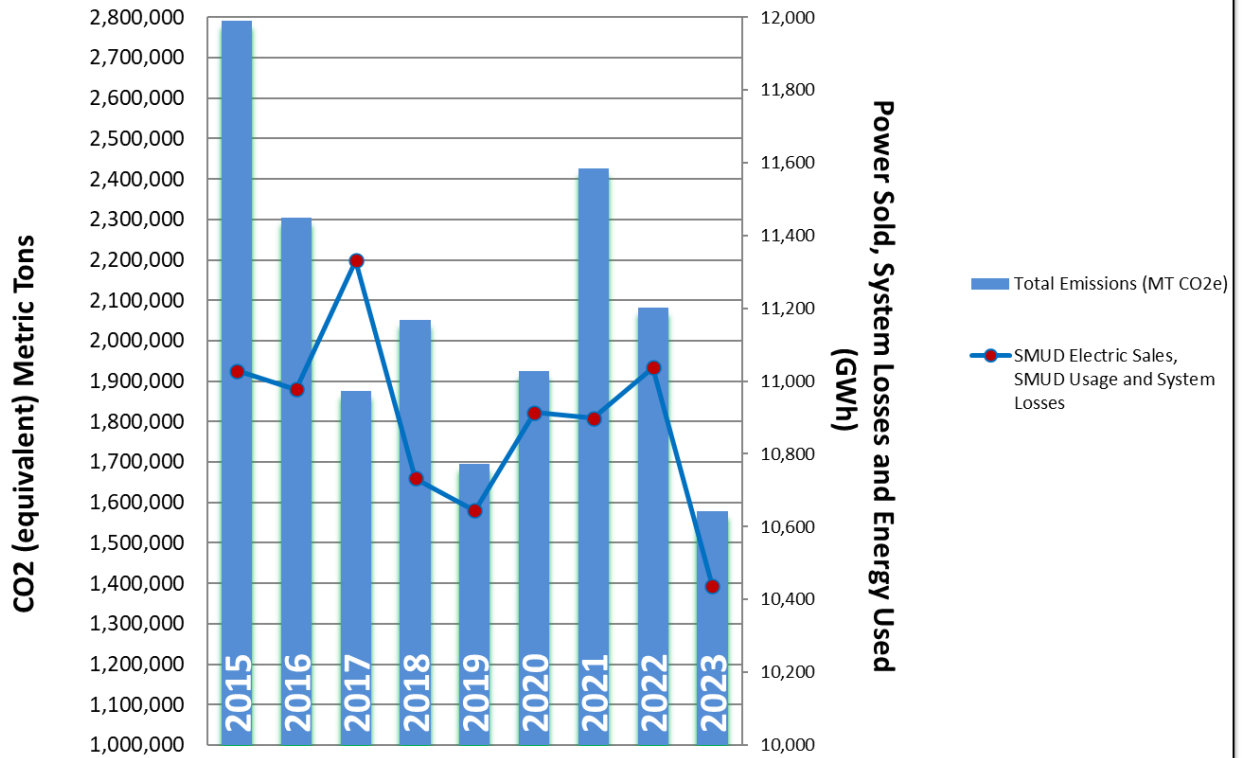
It is recommended that the Board accept the Monitoring Report for SD-7, Environmental Leadership.

6. Appendices

- A. 2015-2022 SMUD Greenhouse Gas Emissions Trends
- B. Sustainable Communities Deliverables and Accomplishments To-Date
- C. List of Acronyms

Appendix A¹

2015-2023 SMUD Greenhouse Gas Emissions Trends



* SMUD electric sales are net of wholesales electricity.

Thermal Power Plant Greenhouse Gas Emissions			
Source	2022 MMT CO2e	2023 MMT CO2e	Percent Change
Thermal Emissions less any Cogen Sales			
Cosumnes	375	1,117	198%
Proctor & Gamble	324	270	-17%
Campbell	414	275	-34%
Carson	101	62	-39%
McClellan	2.55	2	-34%
Power Purchased and System Losses	815	627	-23%
Net of Unspecified Market Purchases and Sales	74	-774	-1171%
Total	2,082	1,579	-25%

¹ Unlike SD-9, the emissions data in SD-7 is not normalized.

Appendix B

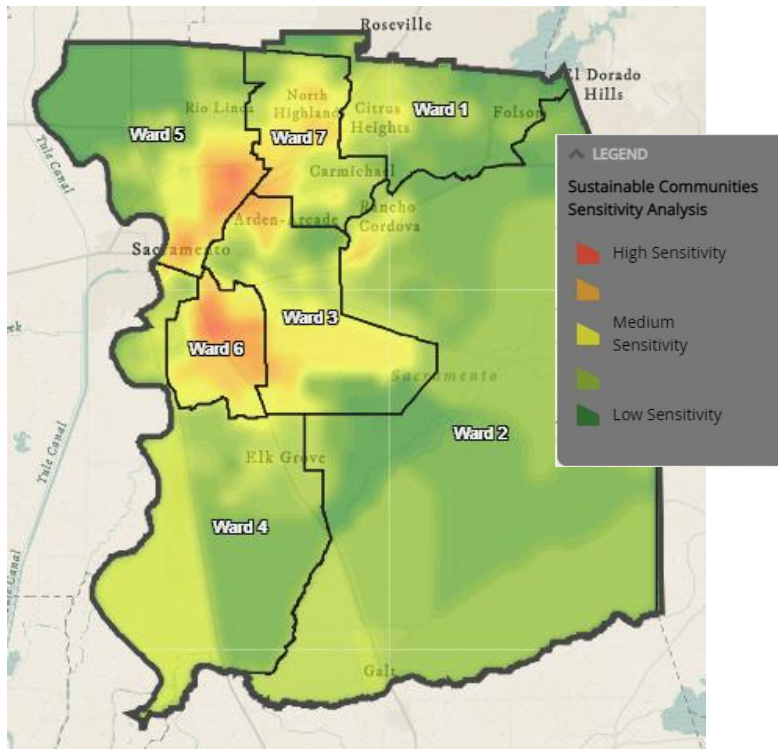
Sustainable Communities Deliverables and Accomplishments To-Date

Current Projects	All Projects
\$35.11M	
<small>Total SMUD Investment - All Projects</small>	

Sustainable Communities Dashboard



Sustainable Communities Resource Priorities Map 3.0



To answer the call for a just and equitable clean energy transition, SMUD created the Sustainable Communities Resource Priorities Map, which analyzes current data to identify the local areas most likely to be under-resourced or in distress due to lack of community development, income, housing, employment opportunities, transportation, medical treatment, nutrition, education, and clean environment.

SMUD is continuing to analyze how various energy programs and projects can be enhanced or expanded to improve equity, incorporating what community members themselves feel is needed to achieve a more equitable energy future.

Appendix C

List of Acronyms

ACS	Asset Controlling Supplier
BSCE	Business Council for Sustainable Energy
CARB	California Air Resources Board
CDP	Carbon Disclosure Project (formerly)
CIP	Community Impact Plan
CNPS	California Native Plant Society
CO₂	Carbon Dioxide
CO_{2e}	Carbon Dioxide Equivalent
COP28	Council of Parties; the United Nations Climate Change Conference
EPA	Environmental Protection Agency
EPRI	Electric Power Research Institute
GHG	Greenhouse Gas
MT	Metric Tons
ROW	Right of Way
ROWSC	Right of Way Stewardship Council
SD	Strategic Direction
SF₆	Sulfur Hexafluoride
SMUD	Sacramento Municipal Utility District
STF	Sacramento Tree Foundation
TCR	The Climate Registry

DRAFT

RESOLUTION NO. _____

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-7, Environmental Leadership**, substantially in the form set forth in **Attachment ____** hereto and made a part hereof.

SSS No.
RS 24-004

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Policy Committee; 9/11/24
Board Meeting Date 9/19/2024

TO	TO
1. Bryan Swann	6. Brandy Bolden
2. Claire Rogers	7.
3. Lora Anguay	8.
4. Farres Everly	9. Legal
5. Suresh Kotha	10. CEO & General Manager

Consent Calendar	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Sara Elsevier	DEPARTMENT Resource Strategy			MAIL STOP B205	EXT. 5056	DATE SENT 08/16/2024			

NARRATIVE:

Requested Action: Accept the monitoring report for Strategic Direction SD-9, Resource Planning.

Summary: Annual SD-9 Resource Planning Monitoring Report for achievements in 2023.

Board Policy: *(Number & Title)* Meets annual monitoring requirement for SD-9 (Resource Planning) providing SMUD’s progress towards key resource planning objectives including progress towards our greenhouse gas reduction goals, renewable portfolio standard (RPS), energy efficiency (EE), building electrification (EB), transportation electrification (TE), equitable offerings for underserved communities, and support of clean distributed energy resources through programs.

Benefits: Provide a status report of 2023 achievements to the Board members on meeting our core resource planning objectives contained in Strategic Direction 9 – Resource Planning.

Cost/Budgeted: Contained in budget for internal labor.

Alternatives: Provide via written report through the Chief Executive Officer and General Manager.

Affected Parties: Enterprise Strategy, Customer and Grid Strategy, Advanced Energy Solutions, Customer and Community Services, Communication, Marketing and Community Relations, Treasury Operations & Risk Management, Legal, Government Affairs & Reliability Compliance, Energy Delivery and Operations, Sustainable Communities, Customer Experience Delivery

Coordination: Resource Planning

Presenter: Bryan Swann, Director, Resource & Market Planning and Settlements

Additional Links:

SUBJECT Annual SD-9 Resource Planning Monitoring Report	ITEM NO. (FOR LEGAL USE ONLY) 7
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: August 28, 2024

FROM: Claire Rogers *CR 8/28/24*

**SUBJECT: Audit Report No. 28007751
Board Monitoring Report; SD-9: Resource Planning**

Internal Audit Services (IAS) received the *SD-9 Resource Planning 2023 Annual Board Monitoring Report* and performed the following:

- Selected a sample of statements and assertions in the report for review.
- Interviewed report contributors and verified the methodology used to prepare the statements in our sample.
- Validated the reasonableness of the statements in our sample based on the data or other support provided to us.

During the review, nothing came to IAS' attention that would suggest the items sampled within the SD Board Monitoring report did not fairly represent the source data available at the time of the review.

CC:

Paul Lau

Board Monitoring Report 2023

SD-9, Resource Planning



1. Background

It is a core value of SMUD to provide its customers and community with a sustainable power supply using an integrated resource planning process.

A sustainable power supply is one that reduces SMUD's greenhouse gas (GHG) emissions to serve retail customer load to zero by 2030. Zero GHG emissions will be achieved through investments in energy efficiency, clean distributed energy resources, renewables portfolio standard (RPS) eligible renewables, energy storage, large hydroelectric generation, clean and emissions free fuels, and new technologies and business models. Additionally, SMUD will continue pursuing GHG savings through vehicle, building and equipment electrification.

SMUD shall assure reliability of the system, minimize environmental impacts on land, habitat, water and air quality, including Tribal and other cultural impacts, and maintain competitive rates relative to other California electricity providers.

To guide SMUD in its resource evaluation and investment, the Board sets the following energy supply goal:

Year	Greenhouse Gas Emissions (metric tons)
2020	2,318,000
2030 - beyond	0

In keeping with this policy, SMUD shall also achieve the following:

- 1) Pursue energy efficiency and electrification to reduce carbon emissions by 365,000 metric tons from buildings and 1,000,000 metric tons from transportation in 2030 (the equivalent of 112,000 single family homes and 288,000 passenger vehicles electrified).
- 2) Procure renewable resources to meet or exceed the state's mandate of 33% of SMUD's retail sales by 2020, 44% by 2024, 52% by 2027, and 60% of its retail sales by 2030 and thereafter, excluding additional renewable energy acquired for certain customer programs.
- 3) In meeting GHG reduction goals, SMUD shall:
 - i) Emphasize local and regional benefits.
 - ii) Improve equity for under-served communities.
- 4) Explore, develop, and demonstrate emerging GHG-free technologies and business models.
- 5) Promote cost effective, clean distributed generation through SMUD programs.

2. Executive Summary

As this report demonstrates, **SMUD was in compliance** with and continued to work towards the key Strategic Direction 9 (SD-9) goals in 2023. Our GHG emissions to meet customer electricity needs were approximately 1,579 thousand metric tons (MT) of carbon dioxide equivalent (CO_{2e}) in 2023. Normalized GHG emissions, which represent what our emissions would have been if customer load, hydro, and wind generation were as expected, were 1,805 thousand MT CO_{2e}. We continued to make progress on our 2030 zero carbon goal through new renewable energy contracts, exploring new emerging clean technologies, compliance with the Renewables Portfolio Standard (RPS), and gains in clean energy customer programs, with focuses on our under-served communities.

3. Additional Supporting Information

SD-9 sets various sustainable power supply goals for our integrated resource plan (IRP) as well as for our customer programs. Our IRP process informs long-term strategic development of programs and generation resources and balances reliability, sustainability, environmental, financial, and customer benefits while achieving SD-9 goals. In 2021, the Board adopted the 2030 Zero Carbon Plan (ZCP) as our IRP and revised our SD-9 targets in line with the plan (for a detailed history of SD-9, see Appendix A). The ZCP is our roadmap to eliminating GHG emissions from our electricity supply by 2030. Our progress related to SD-9 goals and implementation of our ZCP is detailed below and in Appendix C.

A. Greenhouse Gas Emissions

GHG emissions associated with meeting customer electricity needs were 1,579 thousand MT CO₂e, a 24% decrease relative to 2022 (Table 1). Our main sources of GHG emissions were from our thermal power plants. The primary drivers for the GHG emission reductions in 2023 were increased generation from the UARP hydro fleet due to increased rain and snow in the western United States, new delivery of geothermal energy, and targeted purchases of high-quality renewable energy credits equivalent to approximately 4.5% of retail sales. Normalized GHG emissions were 1,805 thousand MT CO₂e, a 5% increase relative to 2022. See Appendix B for more detail on SMUD’s normalized emissions and how they are calculated.

Table 1: SD-9 GHG Emissions & Near-term Targets

Source	Net Power (GWh)	GHG Emissions (Thousand MT CO ₂ e) ¹
Net Generation and Specified Power Purchases	13,749	2,354
Net Wholesale Transactions (un-specified purchases less sales)	-3,313	-775
GHG Emissions to meet customer load (non-normalized) SMUD Electric Sales, SMUD Usage and System Losses	10,436	1,579
Normalization Adjustment for Expected Load		+83
Normalization Adjustment for Expected Hydro		+170
Normalization Adjustment for Expected Wind		-27
Normalized Emissions (estimate)		1,805
2030 Target		0

B. Energy Efficiency and Electrification

SMUD’s energy efficiency and building electrification goals are supported by building electrification rebates and retailer incentives for residential and commercial customers for new construction and retrofit programs. SMUD’s vehicle electrification portfolio includes residential EV charger incentives, dealership incentives, residential outreach, commercial charger incentives, and commercial vehicle incentives. Table 2 shows the progress made by these programs in 2023.

¹ Based on SMUD’s internal accounting and represents the best estimate available. The thermal power plant emissions, SMUD’s largest source of emissions, have been independently verified. Biogenic emissions are excluded as they are part of the natural carbon cycle. Detail on SMUD’s thermal power plant GHG emissions are provided in SD-7.

Table 2: Energy Efficiency and Electrification Progress in SMUD Territory

SMUD Portfolio	2023 Additions	Cumulative Total	2023 Cumulative Emission Reduction
Building Electrification & Energy Efficiency	6,055 all-electric homes equivalent ²	16,152 all-electric homes equivalent ³	102,395 MT CO ₂ e ⁴
Vehicle Electrification	13,837 EVs registered ⁵	46,233 EVs registered	147,945 MT CO ₂ e ⁶

C. Renewable Resources

We continue to expand our portfolio of renewable resources to meet state RPS requirements and the needs of the ZCP. Updates on these efforts are provided below.

California Renewable Portfolio Standard (RPS)

Although our goals are more ambitious than already aggressive state mandates, we continue to implement a renewable energy strategy that fulfills state RPS requirements. Using existing and new RPS eligible renewable generation, we are on-path to achieving our RPS compliance obligation for the 2021 – 2024 compliance period and the next RPS statutory requirement of 44% RPS in 2024. See Appendix B for a detailed discussion of the compliance period obligation.

Proven Clean Technologies and Zero Emission Resource Development

To meet our ZCP 2030 goal, we continue to pursue proven clean technologies, such as wind, geothermal, solar, and energy storage. In 2023, we added 100 MW of geothermal to our portfolio, resulting in an annual portfolio emission reduction of 193 thousand MT CO₂e. Since the adoption of the ZCP in 2021, we have added proven clean technology projects totaling 200 MW of generation and 4 MW of storage. An additional 958 MW of generation and 351 MW of storage are in various stages of planning or development with online dates prior to 2030. Beyond the projects identified in this report, we are regularly reviewing and pursuing new project opportunities. More details are provided in Appendix C.

Voluntary Renewable Energy Programs

We continue to expand our customers’ voluntary renewable program choices and align the programs to our ZCP. In 2023, we delivered a total of 823 GWh (8.1% of retail sales) to customers participating in either Greenergy or SolarShares. Our Greenergy program delivered 501 GWh, which served more than 63 thousand residential and commercial accounts. The SolarShares program for both residential and commercial accounts delivered 322 GWh. Most noteworthy, our residential Neighborhood SolarShares program continued to grow and served 859 participants, a 76% increase from 2022. In addition, Residential SolarShares launched a program specifically for low- and moderate-income customers in December 2023.

² All-electric homes equivalent is defined as the sum of all fully electrified homes, as well as the all-electric home contribution of individually electrified HVAC systems, heat pump water heaters, and stoves across different homes in SMUD’s service territory.

³ Cumulative total since 2021.

⁴ The DER Cost Effectiveness Tool evaluates and accounts for DER program effectiveness, calculating gross annual emissions impact. It is reported in each year the “measure” is installed on the grid and within its useful life.

⁵ EPRI Vehicles in Operation report.

⁶ 1 EV is equivalent to 3.2 MT of GHG reduction.

D. Emerging GHG-free technologies and business models

To fully decarbonize our energy supply by 2030 as part of our ZCP, we need to explore, develop, and demonstrate new and emerging clean technologies. Highlights of work completed in this area in 2023 are listed below with additional achievements provided in Appendix C:

- Carbon Capture & Storage. Supported Calpine in pursuing and winning a \$270 million grant under the DOE's Carbon Capture Demonstration Projects Program for the 550 MW Sutter Energy Center in Yuba City. SMUD would buy power from the Sutter Energy Center Carbon Capture project, which would reduce our GHG emissions by over 1 million MT CO₂e annually.
- Long Duration Energy Storage (LDES). Completed construction and commissioning of the first 0.5 MW of 4 MW of planned LDES iron flow battery at the Sacramento Power Academy adjacent to the Hedge Substation.
- Connected Clean Power Cities. Kicked off planning and execution for the multi-year DOE grant-funded Connected Clean Power Cities project to deploy advanced meters, distributed energy resource management system (DERMS) functionality, outage management systems, load control technology, and a Tribal case study.
- DER Load Flexibility. Designed, developed, and began testing phased enhancements to DERMS to integrate DER load flexibility programs with distribution and bulk system operations.
- Commercial Demand Side Grid Support. Launched a program option for commercial customers to participate in CEC's Demand Side Grid Support program.
- Hydrogen Hubs Grant. Pursued the DOE Regional Clean Hydrogen Hubs grant application in collaboration with the Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES), resulting in a \$1.2 billion award to help advance the California Hydrogen ecosystem. SMUD-proposed projects were placed in Tier 2 as back up to Tier 1 and have not received funding yet.

E. Local and Regional Benefits and Under-resourced Communities

Implementation of our ZCP delivered wide-reaching benefits to our community, including expanded workforce development, while focusing on equity in our communities.

Community Impact Plan

In 2023, we continued to implement the Community Impact Plan, a stakeholder-informed strategy adopted in 2022, which underlines our commitment to making meaningful investments in under-resourced communities to ensure their participation in a clean energy future. Our 2023 Community Impact Plan accomplishments included:

- Residential Neighborhood Electrification. We installed 187 energy efficiency and electrification measures for 61 income-qualified customers in the North Highlands and Strawberry Manor neighborhoods, as part of our Residential Neighborhood Electrification program.
- Business District Electrification. We launched our Business District Electrification program, which includes information and education on SMUD programs, the ZCP, and no-cost energy assessments and customized "energy bundle" recommendations for interested under-resourced commercial customers in prioritized neighborhoods. The recommendations include a combination of lighting, energy efficiency, building electrification and/or EV charging, and can result in 100% funding of approved energy bundle recommendations.

Local Workforce Development

Through a collaborative and community-based approach, we partnered with community organizations and education entities to create training programs that advanced jobs and skills related to emerging zero carbon energy and electrification. Participants from under-resourced communities will be well-positioned to fill the projected need for workers in the clean energy

industry and other emerging high wage careers. In 2023, the Regional Workforce Development team partnered with 48 community organizations to reach 3,199 youth and adults with career education and training and help 856 trainees find meaningful employment.

F. Distributed Generation and Storage

SD-9 requires that SMUD develop programs to promote cost effective, clean distributed generation. The following describes progress on these programs in 2023.

Flexible Demand Programs

Our flexible demand programs seek to optimize operation of our customer-partner's equipment and distributed energy resources in a way that balances customer-partner and grid needs by compensating customers for the grid benefits they provide. The following selection of programs have made notable contributions to our load flexibility goals in 2023:⁷

- My Energy Optimizer Partner+ program for battery storage (a residential virtual power plant program) launched in August 2023 and enrolled 80 customer batteries resulting in 0.4 MW of load reduction capability.
- My Energy Optimizer Partner program for smart thermostats enrolled over 23,802 devices installed in the homes of 19,510 customers, including 791 on the Critical Peak Pricing rate,⁸ with total potential load reduction capacity of 18.6 MW .
- Peak Conserve program for AC load control switches launched in 2023. In the first year, 1,338 devices were installed totaling 1.3 MW of potential load shed capacity.
- PowerDirect®, an automated demand response (ADR) program for commercial customers, achieved a load shed potential of 21.2 MW by the end of 2023.
- Time-of-Day rates, which give the majority of our customers more time on the lower priced non-summer seasonal rate, reduced our annual residential peak load by 131.7 MW, or 7.4%.

Customer-side Solar and Storage

Customer-sited distributed generation and storage continued to expand in 2023. Residential and commercial customers installed 34.8 MW (5,591 systems) of solar PV and 3.1 MW (428 systems) of storage. For more detailed information, see Appendix C.

4. Challenges

Challenges to meeting SD-9 goals in 2023 included ongoing project delays and increased competition for renewable resources. Low-carbon power continued to be scarce and expensive in California and the western United States. Our increased hydro production, growth in renewables, and short-term REC purchases offset these challenges.

5. Recommendation

It is recommended that the Board accept the Monitoring Report for SD-9.

6. Appendices

⁷ Not a comprehensive list of SMUD's load flexibility programs. Only programs that grew in 2023 are listed here.

⁸ Critical Peak Pricing (CPP) is an optional time-based rate. This rate is in addition to the Time-of-Day Rate (5-8 p.m.) and gives customers a discount throughout non-Peak-Event hours in exchange for higher prices during Peak Events.

Appendix A – SD-9 History

SD-9 was established by our Board in 2004 and provides direction for our ongoing environmental leadership and our IRP process, while balancing financial and customer rate impacts, reliability requirements, and equity. Our strategic directions have evolved as markets, policies, and laws have changed. In December 2008, the Board added sustainable power supply as the overall objective of the IRP process and set a GHG emissions target. In 2018 the Board updated our GHG reduction goals to include a 2040 Net Zero GHG goal. In 2020, our Board adopted a Climate Emergency Resolution that calls on the Board to work towards carbon neutrality by 2030. Also in 2020, the Board adopted carbon-based targets for energy efficiency and building electrification. This was the first time a major utility used carbon as its efficiency tracking metric. In April 2021, the Board adopted Resolution No. 21-04-04 which updated the SD-9 to align with our ZCP goal of zero GHG emissions in our energy supply by 2030 and included specific goals for GHG reductions from electrification. In our path to zero carbon by 2030, we are focusing on procuring new zero carbon and renewable energy resources, expanding customer programs for energy efficiency and building and transportation electrification, developing new customer programs, investigating emerging zero carbon technologies, and continuing our work to improve equity for our under-resourced communities and enhance the health of our ecosystems. Under SD-9, our goal is more aggressive than California’s planned trajectory, which requires that utilities meet electric demand with at least 60% eligible renewable resources by 2030 and to achieve economywide carbon neutrality by 2045.

Appendix B – Methodology

Normalized GHG Emissions

SMUD’s normalized emissions are calculated using a GHG accounting framework that adjusts our actual emissions up or down, to account for factors outside of our planning control. These factors can result in higher or lower than expected customer load, hydro generation, and wind generation that is not attributable to SMUD’s actions. At the beginning of the year, a best-estimate forecast is established for load, hydro, and wind generation based upon expected weather and anticipated customer growth. Extreme weather can increase or decrease actual emissions and require a normalization adjustment. For example, extreme drought can decrease hydro generation, increasing the need for generation from nonrenewable resources, and requiring an equivalent reduction to normalized emissions. Normalized emissions therefore more accurately represent what our emissions would have been if there were no unforeseeable external factors.

Normalization adjustments to actual GHG emissions in 2023 include:

- An *increase* to account for lower-than-expected customer load.
- An *increase* to account for higher-than-expected hydro production.
- A *decrease* to account for lower-than-expected wind production.

Renewables Portfolio Standard Compliance Period Obligations

State law requires that SMUD procure renewable generation for at least 60% of retail sales by 2030 as well as achieve interim targets over several compliance periods.⁹ The State determines compliance with RPS obligations by compliance period rather than individual year in acknowledgment of the “lumpiness” of new resource additions and to provide some flexibility to utilities. In 2023, renewable generation increased relative to 2022. This was largely due to energy deliveries from the Geysers geothermal project, a full year of operation from the Drew solar project, and purchases of short-term renewable contracts totaling over 1,400 GWhs of renewable

⁹ Senate Bill 100 (De León, Chapter 312, Statutes of 2018) increased RPS targets to 44% by the end of 2024, 52% by the end of 2027, 60% by the end of 2030 and set a statewide planning goal to meet 100% of retail electricity sales with RPS eligible and zero-carbon resources by 2045.

generation. Through the renewables additions in 2023, along with short-term contract purchases committed for 2024, we are well positioned to meet the RPS targets for compliance period 4 (2021 – 2024) and continue to plan RPS eligible resources to meet future compliance period requirements.

Appendix C – Detailed Project Descriptions

Energy Efficiency and Building Electrification

Our goal is to have building electrification and energy efficiency programs reduce GHG emissions by 365,000 MT CO₂e in 2030, the equivalent of electrifying 112,000 single family homes (see Table 2 for progress). Table 3 provides a more detailed summary of some of our 2023 energy efficiency and building electrification accomplishments, including offerings for our income-qualified customers.

Table 3: Energy Efficiency and Building Electrification Accomplishments

Measures & Projects Highlights	Install Count
Commercial Retrofit Projects Completed	308
New Efficient Commercial Buildings Projects Completed	16
Multifamily Units Retrofitted	1,113
Efficient Induction Cooktops (Electric to Electric)	150
Efficient Induction Cooktops (Gas to Electric)	392
Residential Heat Pump Water Heaters Installed (Electric to Electric)	55
Residential Heat Pump Water Heaters Installed (Gas to Electric)	940
Residential HVAC Installations (Electric to Electric)	304
Residential HVAC Installations (Gas to Electric)	2,914
Residential Seal and Insulate Installations	360
All Electric New Homes and Multifamily units Constructed	1,925
Income-Qualified Measures & Projects Highlights	Install Count
Panel Upgrades	86
Heat Pump Space Heating (Gas to Electric)	482
Heat Pump Water Heaters (Gas to Electric)	198
Induction Stoves (Gas to Electric)	97
Induction Hot Plates for Renters	137
Total energy efficiency bundles and electrification measures	2,072

Vehicle Electrification

Our goal is to have our vehicle electrification programs reduce transportation GHG emissions by 1,000,000 MT CO₂e in 2030, the equivalent of electrifying 288,000 vehicles (see Table 2 for progress). In 2023, we expanded our residential and commercial transportation electrification programs to accommodate the adoption of electric vehicles (EV) throughout our service territory, with particular attention to under-resourced communities.

The residential Drive Electric program continued to promote the adoption of plug-in EVs through a variety of program offerings, including the residential EV discount rate, SMUD Charge@Home rebates, participation in Ride & Drive educational events, and our engagement and training of local auto dealers. Below are some metrics related to the residential Drive Electric program:

- EV Rate Credit. In 2023, approximately 56% of residential EV households, equivalent to 23,329 customers, participated in the EV rate credit (midnight to 6 AM EV charging discount).¹⁰
- Ride & Drive. Seven EV Ride & Drive events, including two in under-resourced communities, were held throughout our territory and we hosted over 3,100 in-car experiences.
- Charge@Home. We provided residential customers with incentives for 5,045 EV chargers, installations/circuits, and/or circuit sharing devices through the Charge@Home program.
- PlugStar Certified Dealers. We continued to fund local dealer certification as PlugStar certified dealers. Twenty-four dealers are participating in the program, and 146 dealer staff were trained. We additionally completed our fourth EV auto dealership competition to encourage and incentivize EV sales and reward dealerships and their staff for increased EV promotion.
- EV Advisor. We began transitioning from the Plug In America EV Support Program to our own EV Advisor program and provided over 2,000 customers expert one-on-one EV advice and support between August and December. The Plug In America and SMUD EV advice programs together provided this support through over 3,000 SMUD customer inquiries.
- Clean Cars for All. We continued integral support of the Clean Cars for All program in conjunction with SMAQMD. This program provides up to \$9,500 toward a new or used PHEV for income-qualified residents living in areas impacted by higher levels of pollution (disadvantaged communities). We installed 11 EV chargers for income-qualified residents through Clean Cars for All in 2023.
- Income-Qualified Installations. We installed 384 EV circuits and 134 EV supply equipment (EVSE) for income-qualified customers to prepare homes for the addition of an EV and a charger.

The Commercial EV Program updates for 2023 include:

- Commercial Installations. Total commercial EV Program incentives in 2023 included the installation of 368 level II EV chargers, including 33 DC fast chargers.
- eFuel Services. Commercial customer offerings were expanded with eFuel Services, which included an eFuel Advisor service. eFuel Advisor helps commercial fleet customers build a fleet electrification plan, including site analysis, charger recommendations, and cost estimates.
- FAST Grant. In partnership with Sacramento International Airport (SMF), Sacramento Valley Station, California State University Sacramento, ChargerHelp, and AECOM, we won a FAST (Fast and Available Charging for All Californians) grant from the CEC to deploy DC fast chargers at three strategic locations in Sacramento, enabling increased access to EV charging for ride-share drivers, food delivery drivers, rental car fleets, shared mobility services, and residents. The project will replace aging and obsolete first-generation Level 3 chargers with efficient and reliable DC fast chargers at SMF.

Proven Clean Technologies and Zero Carbon Resource Development

Our project development pipeline for proven clean technology projects is shown in Table 4. The table includes completed and planned procurement activities since adoption of the ZCP in 2021.

¹⁰ SAP Installation Fact 5090 Rates report, and EPRI Vehicles In Operation report.

Table 4: New Procurement and Project Development Status

Project Name	Type	Projected Online Year	Status ¹¹	Size (MW)	Equivalent Homes Powered	Emissions Avoided (MT CO ₂ /year)
Completed ZCP Projects						
Hedge Battery	Local Battery	2022	Online	4	800 (peak)	N/A
NTUA	Regional Solar PV	2022	Online	100	33,498	70,476
Calpine Geysers	Geothermal	2023	Online	100	91,980	193,513
Subtotal	Generation			200	126,278	263,989
	Storage			4		
Planned ZCP Projects						
ESS Battery Pilot	Long-duration Storage	2024-2026	Partially Online	4	800 (peak)	N/A
Solano 4	Wind	2024	Online	86	33,660	70,816
Slough House	Local Solar PV	2025	Under Development	50	13,780	48,369
Coyote Creek	Local Solar PV	2026	Under Development (Delayed)	200	55,234	193,870
	Local Battery			100	20,000 (peak)	N/A
Country Acres	Local Solar PV	2026	Under Development	344	70,756	248,352
	Local Battery			172	34,400 (peak)	N/A
McClellan Battery	Local Battery	2027	Planning	75	15,000 (peak)	N/A
Grace	Regional Solar PV	2027	Planning	70	22,511	47,359
Solano 2 Repower	Wind	2029	Planning	108 ¹²	36,333	76,440
Calpine Geysers II	Geothermal	2028	Planning	50	46,233	97,269
		2030		50		
Subtotal	Generation			958	348,707	782,475
	Storage			351		
Grand Total	Generation			1,158	474,985	1,046,464
	Storage			355		

Looking forward, we continue to explore multiple options to procure or develop additional renewable and zero carbon resources, including local solar and storage. Potential projects are thoroughly screened based on cost, project online date, environmental and cultural impacts, and feasibility, to ensure projects meet our specific requirements. We continue to uncover and pursue new project opportunities in support of our 2030 zero carbon goal.

Emerging GHG Free Technologies and Business Models

In 2023, we continued to fund research and development efforts as well as pursue grants for clean energy and GHG reduction projects in 2023 and beyond as part of our ZCP. Below are additional projects that we explored in 2023. More information on our research and development work can be found in the 2023 SD-10 Report.

¹¹ As of August 2024.

¹² The Solano 2 Repower project will increase existing capacity at the site by 21 MW, from 87 MW currently to a total of 108 MW. The corresponding equivalent homes powered and emissions avoided figures for the Solano 2 Repower Project are for the total capacity at the site of 108 MW and therefore correspond to some existing capacity.

- Low-carbon Fuel Standard (LCFS) Electricity Pathways. For Van Warmerdam, New Hope and Van Steyn Dairy Digesters, carbon intensities and annual reports were submitted to CARB. The dairy digesters produce low-carbon electricity. To certify that these resources are low-carbon, we track each digester’s carbon intensity and submit this data to the California Air Resources Board (CARB) LCFS program on an annual basis.
- Hydrogen Blend Collaborative Research. Continued monitoring and participation with the DOE HyBlend and CEC Targeted Hydrogen Blending grants, aspiring to address the barriers on pipeline blending materials compatibility and degradation related to hydrogen blending into the natural gas pipeline. Resulting data from this project will be used for techno-economic analysis to quantify costs and opportunities of H2 production and blending with natural gas.
- Thermochemical Conversion of Biomass to Hydrogen. This project received a \$500k award from the Department of Conservation Forest Biomass to Carbon-Negative Biofuels Pilot Program in December 2022 for a PreFEED study, for which work continued in 2023. The project concept is to use waste biomass from clearing the UARP transmission corridor for thermochemical conversion to hydrogen. The duration of this grant execution was extended to end of September 2024.
- BestFit Innovative Charging Solutions. We worked with Ford Pro (who acquired Electriphi, the project lead applicant), in collaboration with other key partners to demonstrate a cost-efficient and grid-friendly pathway for fleet electrification across diverse vehicle types. This project will accelerate vehicle-to-grid, offsetting what would otherwise be a cost to SMUD.
- Multifamily EV Charging Community. In December 2023, we were awarded a second grant in the CEC’s Reliable, Equitable, and Accessible Charging for Multi-family Housing grant (GFO-22-614). Through our proven Multifamily program, we proposed to deploy at least 400 private AC chargers at 20 multifamily (MF) properties and 50 public AC chargers at MF-adjacent community partner locations in Sacramento. At least 90% of these will serve CalEnviroScreen 4.0 (CES4) priority populations and income-qualified residents.
- Agrivoltaics Research. Continued planning for Agrivoltaics research at SMUD’s proposed Country Acres solar facility with partner UC Davis. Project was presented to the Placer County Agricultural Commission for discussion and feedback. Specific requirements were developed and integrated into the overall project design and the site’s Sustainable Communities plan. Began work on an operational Memorandum of Understanding to guide project implementation. This effort will examine the costs and benefits of the integration of crops and solar electricity production.

Sustainable Communities & Income-Qualified Programs

Implementation of our ZCP will deliver wide-reaching benefits to our community while focusing on equity and strengthening our communities. Our Community Impact Plan is a three-year plan to increase energy equity outcomes on our road to zero carbon. These community-driven outcomes are focused on three areas: affordability, equitable access, and community engagement and education. Programs include capacity building for nonprofit organizations, neighborhood and business district electrification for residential and commercial customers, and regional workforce development programs.

- Building Electrification and Energy Efficiency. We continued expansion of our existing efforts to provide no-cost energy retrofit installations to income-qualified residential customers for both gas-to-electric conversions and electric-to-electric upgrades. Building Electrification and Energy Efficiency measures related to income-qualified customers are reported previously in Table 4.
- Transportation Electrification. SMUD EV programs provided low cost or free EV charging infrastructure for income-qualified customers and expertise on home charging solutions. EV

measures related to income-qualified customers are reported in the Vehicle Electrification section above.

- Load Flexibility. Our portfolio of load flexibility programs support the 2030 zero carbon goal, yet they can sometimes require costly technologies, such as a smart thermostat, EV, or battery storage system to participate. We continued to explore ways in which our load flexibility programs can be more inclusive despite this barrier. In 2023 we installed 36 solar systems, 4 of which included battery storage, so customers could participate in our virtual power plant program. Additionally, our Peak Conserve program offers free installation of AC load control devices to ensure all customers can take part in the clean energy journey.
- Shine Awards. The Shine Awards program invests in local nonprofit partners that execute inclusive and equitable projects through collaborations and partnerships supporting our historically under-resourced communities. In 2022, 113 organizations submitted applications with compelling and competitive projects to improve access to workforce development trainings, STEM education, electrification and environmental education and stewardship. From the 113 submitted applications, 22 projects totaling \$513,663 were awarded in 2023. Projects included energy-efficiency and electrification measures and indoor/outdoor LED lighting resulting in reduced energy bills for these non-profits.
- Workforce Development. Our 2023 Regional Workforce Development Career Pathways programs recruited and trained individuals from Sustainable Communities target neighborhoods to work in areas directly impacting our region's ability to meet our 2030 zero carbon goals. Our 2023 training partners included Grid Alternatives, Northern California Construction Training Inc. (NCCT), and Cosumnes River College, whose programs trained our community in skills related to solar, battery, EV, and electrification technologies and supported graduates with employment services such as connecting with employers, resume writing help, and career coaching. Key work in 2023 involved:
 - Worked to ensure that largescale infrastructure projects have demonstrable community benefits, and wrote those benefits into several major grant efforts, creating equitable pathways to the employment opportunities.
 - Launched a new Electrician Trainee program with NCCT, which trained 72 people and placed 24 people in jobs leading to careers as electricians. The focus of the program is helping to put more diverse apprentices in the IBEW pipeline.
 - Partnered with Cosumnes River College to offer a new Construction Electrification course that provides enrollees with a stipend to complete 36 hours of lecture and 54 hours of hands-on learning. The focus of the course is on understanding the importance of building electrification and how to install heat pumps, EV chargers, and other supporting electrical infrastructure. Upon graduation, students earn industry relevant certifications along with 3 course units that can be applied to a Construction Pre-Apprenticeship or Construction Management Credential. Fourteen individuals completed the inaugural class in 2023.
 - Through our ongoing partnership with Grid Alternatives, 50 people received solar and electrification training, with 33 participants being placed into jobs.
- Sustainable Communities Resource Priorities Map. To deploy comprehensive resources for our communities most in need, we continued to align our region's investments toward the goal of creating and supporting healthy, vibrant, and economically sustainable neighborhoods. Our Sustainable Communities Resource Priorities Map was updated in 2023 with real-time data and metrics to identify neighborhood carbon emissions and tree canopy cover. This 3rd iteration of the map will help inform resource allocation, reduce growing economic disparity in Sacramento County, and ensure the benefits of our ZCP are shared equitably among all communities.

Customer-side Solar and Storage

Table 5 summarizes customer solar and storage systems installed in SMUD territory in 2023. By the end of 2023, SMUD had over 350 MW of cumulative customer solar and over 10 MW of cumulative customer storage.

Table 5: 2023 Customer Solar PV and Storage Installations¹³

	Residential		Commercial		Totals	
	Installed Systems	MW	Installed Systems	MW	Installed Systems	MW
Customer Solar PV	5,430	25.8	161	9.0	5,591	34.8
Customer Storage	427	3.0	1	0.1	428	3.1

¹³ This table includes net-energy metering (NEM), Solar Smart, virtual net-energy metering (VNEM), and Solar and Storage Rate installations.

RESOLUTION NO. _____

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

This Board accepts the monitoring report for **Strategic Direction SD-9, Resource Planning**, substantially in the form set forth in **Attachment ____** hereto and made a part hereof.

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

TO				TO			
1.	Casey Fallon	6.	Jose Bodipo-Memba				
2.	Chris Hofmann	7.					
3.	Frankie McDermott	8.					
4.	Scott Martin	9.	Legal				
5.	Lora Anguay	10.	CEO & General Manager				
Consent Calendar	<input checked="" type="checkbox"/> Yes	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/> Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>		
FROM (IPR) Tasha Crawford	DEPARTMENT Procurement, Warehouse, Fleet		MAIL STOP EA404	EXT. 6205	DATE SENT 08/23/2024		

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to negotiate and award a Sole Source contract to Siemens Industry, Inc. (“Siemens”) for the upgrade of their proprietary Energy Management System (“EMS”) for the term September 20, 2024, through December 31, 2026, for a total not-to-exceed amount of \$7 million.

Summary: The EMS is critical to the real-time operations of SMUD's transmission, generation, distribution, gas, scheduling, and commodity settlement systems. SMUD Transmission Planning and Operations is currently using the Siemens Spectrum Power 7, v2.2 EMS that was implemented in 2019. The EMS is also used to perform the Balancing Authority operations for the Balancing Authority of Northern California (“BANC”) and participation in the Western Energy Imbalance Market. The EMS was originally scheduled for an upgrade in 2026, but with projects coming online in support of the Zero Carbon Plan (ZCP), it is critical to expedite the timeline for the EMS upgrade project. This will ensure the hardware, software, and other third-party products are refreshed, and the EMS that supports both SMUD’s and BANC’s grid management and operations are current on vendor supported products. As this software is proprietary, Siemens is the only vendor with the access required to upgrade the EMS. The Board previously approved a contract with Siemens for these services in January 2024 for a not-to-exceed amount of \$6 million, but the final negotiated contract includes modified and additional services as well as updated pricing.

Recommendation: Award a Sole Source contract to:

Siemens Industry, Inc.
10900 Wayzata Blvd., Ste. 400
Minnetonka, MN 55305

Board Policy: Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement; Strategic Direction SD-4, Reliability; Strategic Direction SD-7, Environmental Leadership

Benefits: The upgrade will provide minimized operational costs, new features and functionality to improve real-time monitoring and control of the grid and generation assets by Transmission Planning and Operations and will allow for a refresh of all hardware and third-party software before they are outdated and unsupported.

Cost/Budgeted: \$7,000,000; Budgeted for 2024-2026 by Transmission Planning and Operations.

Alternatives: Issue a competitive solicitation to replace the entire EMS. This alternative is cost and resource prohibitive, introduces unnecessary risk to operations, and would delay integrating ZCP requirements into the system.

Affected Parties: Transmission Planning and Operations, Procurement, Warehouse and Fleet, and Siemens.

Coordination: Siemens, Energy Delivery & Operations, and Procurement, Warehouse, and Fleet.

Presenter: Casey Fallon, Director, Procurement, Warehouse & Fleet

Additional Links:

SUBJECT

Sole Source Contract with Siemens Industry, Inc. for EMS Upgrade

ITEM NO. (FOR LEGAL USE ONLY)

8

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

RESOLUTION NO. _____

WHEREAS, by Resolution No. 24-01-05, adopted January 18, 2024, this Board authorized the Chief Executive Officer and General Manager to negotiate and execute a sole source contract with **Siemens Industry, Inc.** for the upgrade of their proprietary **Energy Management System (EMS)** for the term January 19, 2024, through December 31, 2026, for a total not-to-exceed amount of \$6,000,000; and

WHEREAS, SMUD determined it was necessary to, among other things, revise the project work scope and milestones and restructure applicable licensing and, rather than pursue a contract under terms authorized by Resolution No. 24-01-05, to bring renegotiated terms to the Board for approval to negotiate and execute a contract with **Siemens Industry, Inc.** for the **EMS** upgrade; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Section 1. Resolution No. 24-01-05 is hereby superseded and is of no further force or effect.

Section 2. That the Chief Executive Officer and General Manager, or his designee, is authorized on behalf of SMUD to negotiate and execute a sole source contract with **Siemens Industry, Inc.** for the upgrade of their proprietary **Energy Management System (EMS)** for the term September 20, 2024, through December 31, 2026, for a total not-to-exceed amount of \$7,000,000.

Section 3. The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the contract that, in his prudent judgment: (a) further the primary purpose of the contract; (b)

DRAFT

are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amount and applicable contingencies.

SSS No. LEG 2024-0117

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 09/17/24
Board Meeting Date September 19, 2024

TO				TO			
1.	Steve Lins	6.	Lora Anguay				
2.	Jon Olson	7.					
3.	Russell Mills	8.					
4.	Scott Martin	9.	Legal				
5.	Jose Bodipo-Memba	10.	CEO & General Manager				
Consent Calendar	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Andrew Meditz		DEPARTMENT Legal Department		MAIL STOP B406	EXT. 6124	DATE SENT 08/22/24	

NARRATIVE:

Requested Action: Discuss and approve proposed revision to Energy Risk Management and Energy Trading Standards under Board-Staff Linkage BL-12, Delegation to the CEO with Respect to Transactions Involving Transmission and Wholesale Energy, Fuel and Environmental Attributes to address federal Public Utility Regulatory Policy Act (PURPA) Regulations.

Summary: Under *Board-Staff Linkage BL-12, Delegation to the CEO with Respect to Transactions Involving Transmission and Wholesale Energy, Fuel, and Environmental Attributes*, the Energy Risk Management and Energy Trading Standards delegate authority to the CEO to negotiate and execute power purchase agreements (PPAs) that do not have a term greater than three (3) years. Title II of the Public Utility Regulatory Policies Act of 1978 (PURPA) requires utilities to interconnect and also purchase energy and capacity from qualifying facilities (QFs) at the utility’s avoided cost. The Board’s existing authority regarding PURPA PPAs with terms greater than three (3) years is a predetermined administrative function since the Board does not have discretion and would be required to approve a PURPA PPA for SMUD to maintain compliance with federal law. The proposed revision delegates authority to the CEO to negotiate and execute PURPA PPAs with no term limit, as long as the PPAs are consistent with federal PURPA regulations, and the contract price does not exceed SMUD’s avoided cost.

Board Policy: Board-Staff Linkage BL-12, Delegation to the CEO with Respect to Transactions Involving Transmission and Wholesale Energy, Fuel, and Environmental Attributes
(Number & Title)

Benefits: Facilitate compliance with PURPA requirements; ensure PPA contract price for QF projects do not exceed our avoided costs; efficient PPA contract process for small generation projects.

Cost/Budgeted: N/A

Alternatives: Maintain existing delegation and seek Board approval for individual PURPA PPAs with terms of more than 3 years (to maintain compliance with PURPA, the Board’s approval is a perfunctory, administrative function); provide advance notice to Board before executing PURPA PPAs; report to Board after execution of PURPA PPAs.

Affected Parties: Legal, Energy Trading & Contracts, Rates/Pricing

Coordination: Legal, Energy Trading & Contracts, Rates/Pricing

Presenter: Andrew Meditz, Senior Attorney

Additional Links:

SUBJECT Revisions to Energy Risk Management and Energy Trading Standards	ITEM NO. (FOR LEGAL USE ONLY) <b style="font-size: 1.5em; color: blue;">9
------------------------------------------------------------------------------------	----------------------------------------------------------------------------------

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

**ENERGY RISK MANAGEMENT AND ENERGY TRADING STANDARDS
SACRAMENTO MUNICIPAL UTILITY DISTRICT**

PURPOSE

The wholesale energy markets are exposed to numerous risks including, but not limited to, market price risk, supply risk, credit risk and regulatory risk. The purpose of the Energy Risk Management and Energy Trading Standards (the “Standards”) is to establish protocols for prudent risk mitigation and management.

SCOPE

The Standards apply to:

- The operation of SMUD-owned or controlled generation, transmission, natural gas and other fuel reserves and pipeline assets;
- Contracts for and related to the purchase and sale of wholesale electricity, electric capacity and storage, natural gas and clean and emissions-free fuel, and environmental products;
- Contracts for and related to transmission, natural gas and clean or emissions-free fuel transportation, and storage; and
- Contracts for and related to financially hedging or mitigating risks associated with wholesale electricity, electric capacity and natural gas and other fuel prices, supplies and markets.

PRIORITIES

The Chief Executive Officer/General Manager (CEO/GM) implement the Standards in accordance with Board policies and with the following priorities, listed in order of importance:

Priority 1. Manage resource mix to comply with Board Strategic Direction (SD-4) Reliability.

Priority 2. Minimize net commodity energy purchase costs while operating within the targets established in Board Strategic Direction (SD-3) Access to Credit Markets.

Priority 3. Optimize SMUD-owned or controlled assets, including but not limited to, generation, transmission, fuel reserves, pipeline assets, fuel storage and contract resources to create additional value for SMUD and its customers, while complying with Board policies and all applicable laws and regulations.

Priority 4. Provide our customers and community with a sustainable power supply in accordance with Board Strategic Direction (SD-9) Resource Planning.

DIVERSIFICATION AND PORTFOLIO MIX

SMUD will maintain a diverse portfolio of generation, transmission, fuel-related assets and contracts to reasonably mitigate risk and to support its clean energy goals. Risks associated with wholesale contracts will be mitigated through diversified terms and conditions, contract periods and durations, delivery points, counter-parties, and product types.

PORTFOLIO RISK MANAGEMENT PROCEDURES

The CEO/GM will develop and maintain written procedures to implement the Standards and will ensure that appropriate internal controls and limits are in place to ensure compliance with Board policies, the Standards and applicable laws and regulations. Consistent with Board policies and the Standards, the CEO/GM will analyze and implement risk mitigation measures, as appropriate. For illustrative purposes, examples of identified risks and risk mitigation tools are as follows:

<u>Risks</u>	<u>Risk Description</u>	<u>Risk Identification/Mitigation Tools</u>
Market Price Risk	The risk that the absolute price of a given commodity (power, gas) will fluctuate, thereby exposing the District to potential financial losses.	<ul style="list-style-type: none"> • Market and volatility analysis • Forward price curve development • Net position and financial exposure analysis • Mark-to-market analysis • Net income-at-risk analysis • Diversification of product purchases • Dollar-average over time by programmatic purchases
Weather/Volumetric Risk	The potential adverse economic impact of anticipated changes in supply and/or demand. For example, the risk of having less than average generation from SMUD’s hydro project due to a drier than normal year, or less than anticipated retail sales due to a cooler than normal summer.	<ul style="list-style-type: none"> • Frequent snow surveys • Runoff forecast update • Diversification of volumetric hedging programs • Temperature vs. load analysis • Frequent hydro spill risk assessment • Maintain Hydro Stabilization Fund • Diversification of product purchases

<u>Risks</u>	<u>Risk Description</u>	<u>Risk Identification/Mitigation Tools</u>
Credit/Counter-party Risk	The potential financial loss resulting from a counter-party's failure to honor its obligations, including the obligation to settle on a timely basis. For example, a bankrupt counter-party may force SMUD to cover the contracted obligation from the market at a higher price than originally contracted.	<ul style="list-style-type: none"> • Credit Analysis • Credit Limits • Minimum rating levels • Diversification of counter-parties • Guarantees and financial assurances • Netting Agreements
Supply/Delivery Risk	The risk of loss due to non-delivery of power and/or fuel; which could decrease SMUD's system reliability and/or increase financial exposure.	<ul style="list-style-type: none"> • Diversification of delivery points • Retain delivery point flexibility/optionality when practicable • Transmission and pipeline capacity outage duration risk analysis • Natural gas and other fuel storage
Unplanned Outage Risk	The risk of under-supply due to unexpected plant outages, which may increase SMUD's system reliability and/or financial exposure.	<ul style="list-style-type: none"> • Historical plant performance risk analysis • Plant Outage Insurance • Planning and Operating Reserve Analysis • 24-hour trading desk to balance system needs on real-time basis

<u>Risks</u>	<u>Risk Description</u>	<u>Risk Identification/Mitigation Tools</u>
Operational/Human Risk	The risk of human error or fraud, or the risk that the system of controls will fail to adequately record, monitor, and account for transactions or positions.	<ul style="list-style-type: none"> • Develop written trading rules and limits • Establish procedures and standards • Establish system of controls for transaction approval, scheduling and payment • Minimize manual hand-off and multiple input of transaction information • Standardize software applications as appropriate • Implement cross-functional training • Implement structured area expertise training • Conduct periodic audits
Regulatory Risk	Market structure and operational risks associated with shifting state and federal regulatory policies, rules and regulations.	<ul style="list-style-type: none"> • Analysis of regulatory, regional and industry trends • Participation in regulatory forums
Extreme Event Risk	The potential financial risk and or reliability risk created by extreme events such as the 2000-2001 energy crisis and the summer 2020 western heat wave.	<ul style="list-style-type: none"> • Portfolio stress testing • Scenario/sensitivity analysis • Maintain Rate Stabilization Fund
Legislative Risk	Risks associated with actions by international, federal and state legislative bodies.	<ul style="list-style-type: none"> • Legislative analysis and monitor industry wide initiatives • Advocacy of issues consistent with Board established policies.

PROHIBITED TRANSACTIONS

SMUD will not engage in the following prohibited transactions:

- Any transaction that is not related to serving load and/or reducing financial exposure;
- Sale of any **uncovered** financial “Put” and/or “Call” options on electric energy, gas, electric transmission or gas pipeline capacity;
- Sale of any other **uncovered** Financial Options;
- Unless adequate credit support is provided, transactions with any counter-party of: (i) longer than one year in duration, with a credit rating less than investment grade; or (ii) one year or less in duration, with a credit rating less than the Standard and Poors equivalent of BB, except for the following transactions with counter-parties having a credit rating equivalent to Standard and Poors B: (a) purchases which are within the next seven days; and (b) sales which are within the current calendar month that do not present at anytime, payment risk to SMUD (i.e., no associated receivable after exercising netting rights which apply offsetting purchases; this transaction restriction does not apply to sales of ancillary services to the California Independent System Operator;
- Any deceptive transactions, including but not limited to transactions that: (i) are intended to manipulate the market; (ii) circumvent market rules; (iii) manipulate market prices; or (iv) inflate volumes traded or available in any region or market; or
- Any transactions prohibited by federal and/or state laws and regulations.

AUTHORIZED TRANSACTIONS

Any transaction or contract entered into by the CEO/GM that is consistent with the Standards and the Delegation of Authority will be deemed authorized and approved by the Board at the time of execution by the CEO/GM or his/her designee.

DELEGATION OF AUTHORITY

Consistent with the Board policies and the Standards, the CEO/GM or his/her designee is delegated the following authority:

Section 1. Transactional Authority. To negotiate and execute on behalf of SMUD the types of contracts and transactions listed below, provided that: (i) such agreement(s) do not have a term greater than three (3) years, as measured from the commencement of performance by either party (e.g., the first date of delivery of

electricity, transmission capacity, fuel, or pipeline capacity); (ii) the commencement of performance is no longer than three (3) years from the date of execution; and (iii) the prices paid under such agreements are at or below prevailing market rates for similar products at the time the contract is made.

- * Purchases, sales and exchanges of electricity, electric capacity and storage, natural gas and clean and emissions-free fuel commodity.
- * Purchases and sales of transmission capacity.
- * Purchase and sales of ancillary services including, but not limited to, spinning reserve, non-spinning reserve, and regulation.
- * Purchase of put and/or call options for electricity and natural gas commodity.
- * Purchase and sale of natural gas and other fuel pipeline capacity.
- * Purchase and sale of natural gas and other fuel storage capacity.
- * Sales of covered call and put options.
- * Purchase and sale of Renewable Energy Credits evidencing the renewable attribute associated with Renewable Energy.
- * Contracts for financial fixed-for-floating or floating-for-fixed price swaps, options and other financially settled energy derivative transactions for purposes of hedging and/or mitigating the price risk of: (i) an underlying physical position in electricity, natural gas or other energy used for the production of District electricity matching a retail load obligation; or (ii) embedded in the pricing formula of a Power Purchase and Sale Agreement; or (iii) for purposes of hedging against the potential financial impact of unpredictable weather conditions, such as heat storms in the District's service territory and/or below average precipitation in the District's Upper American River Project.
- * Purchases and sale of carbon allowances, offsets, and other GHG related products, including both physical and financial transactions.
- * Purchase and sale of low carbon fuel standard credits.

Section 2. Public Utility Regulatory Policies Act of 1978 (PURPA) Transactional Authority. Notwithstanding the three (3) year term limit set forth in Section 1 above, to negotiate and execute on behalf of SMUD purchases for electricity and electric capacity from qualifying facilities for any term provided that: (i) the contract is consistent with federal regulations under PURPA, and ii) the prices paid under such agreements do not exceed SMUD's avoided cost.

Section 3. Long-term Fuel and Power Transactional Authority. To negotiate and execute on behalf of SMUD long-term natural gas, clean and emissions-free fuel, and power supply agreements to purchase discounted tax-exempt fuel and power subject to the following parameters: (i) total purchases from all suppliers shall not exceed 80,000 average dekatherms per day for fuel and 500,000 MWh annually for power; (ii) supplier diversification under this authority shall be maintained by requiring no single supplier provides more than 30,000 average dekatherms per day for fuel or 200,000 MWh annually for power; (iii) contract durations shall not exceed thirty years; (iv) prices paid to suppliers must have expected market discounts at least 75 percent as great as otherwise achievable from a SMUD-sponsored pre-paid transaction; and (v) suppliers must have a proven track record in successfully executing similar transactions.

Section 43. Ancillary Services Transactional Authority. Notwithstanding the credit support restrictions set forth in “Prohibited Transactions,” to make sales of ancillary services to the California Independent System Operator.

Section 54. Enabling Agreement Authority. To negotiate and execute on behalf of SMUD enabling agreements, irrespective of term, including but not limited to the agreements sponsored by the Western Systems Power Pool (“WSPP”), Edison Electric Institute (“EII”), North America Energy Standards Board (“NAESB”), Gas Industry Standards Board (“GISB”), International Swap Dealers Association (“ISDA”) and other prevailing industry form agreements for purposes of facilitating the negotiation of future transactions specified in Section 1, above. An Enabling Agreement does not commit SMUD to any specific transaction; rather it is an agreement setting forth standard terms and conditions (other than terms and conditions for transaction specific agreements, such as, price, quantity, term and delivery point), which will apply to future transactions entered into under the respective Enabling Agreement. All transactions entered into under any Enabling Agreement will be subject to the limits set forth in Section 1, above.

Section 65. Tariff Related Agreement Authority. To negotiate and execute on behalf of SMUD transmission, facilities, distribution, generator and scheduling agreements, irrespective of term, pursuant to approved tariffs.

Section 76. Transmission Planning Agreement Authority. To negotiate and execute on behalf of SMUD agreements intended to facilitate regional transmission planning, irrespective of term; provided the agreement does not commit SMUD to the development, support for or funding of any particular transmission project or projects.

Section 87. GHG Market-Based Compliance Program Related Authority. To transact in, and to negotiate and execute on behalf of SMUD all agreements necessary to participate in, the auctions administered by the California Air Resources Board or successor entity as part of California’s greenhouse gas market-based compliance program.

Section 98. Advance Funding Authority. To negotiate and execute on behalf of SMUD revisions to Exhibit C of the Agreement for the Funding of Operation and Maintenance for the Central Valley Project Power Facilities for the purposes of

establishing SMUD's advance funding contribution to the Western Area Power Administration (Western) in an amount no greater than the estimated annual power deliveries from Western.

Section 109. Purchase, Sale, or Exchange of Air Emission Reduction

Credits (ERCs). To negotiate and execute on behalf of SMUD agreements for the:

- i) Purchase of ERCs (a) that are needed or anticipated to be needed for SMUD operations; (b) that are priced at or below fair market value and (c) that do not exceed \$10 million.
- ii) Sale of ERCs that are (a) are surplus to SMUD's actual or anticipated needs; (b) are for use within the SMUD service territory; (c) are priced at or above fair market value; and (d) do not exceed \$100,000.
- iii) Exchange of ERCs that (a) provide present or future operational flexibility; (b) are of equal or superior quality and value; and (c) do not exceed a fair market value of \$100,000.

REPORTING

The CEO/GM will report to the Board of Directors as follows:

Annually - Submit a five (5) year commodity budget forecast report.

Quarterly - Submit a report to include: (i) a current year commodity budget update; and (ii) a current and next year commodity financial exposure update.

Quarterly – Report on any new multi-year contracts entered into under the Delegation of Authority for wholesale energy, fuel and environmental attribute transactions and contracts.

ENERGY RISK MANAGEMENT AND ENERGY TRADING STANDARDS SACRAMENTO MUNICIPAL UTILITY DISTRICT

PURPOSE

The wholesale energy markets are exposed to numerous risks including, but not limited to, market price risk, supply risk, credit risk and regulatory risk. The purpose of the Energy Risk Management and Energy Trading Standards (the “Standards”) is to establish protocols for prudent risk mitigation and management.

SCOPE

The Standards apply to:

- The operation of SMUD-owned or controlled generation, transmission, natural gas and other fuel reserves and pipeline assets;
- Contracts for and related to the purchase and sale of wholesale electricity, electric capacity and storage, natural gas and clean and emissions-free fuel, and environmental products;
- Contracts for and related to transmission, natural gas and clean or emissions-free fuel transportation, and storage; and
- Contracts for and related to financially hedging or mitigating risks associated with wholesale electricity, electric capacity and natural gas and other fuel prices, supplies and markets.

PRIORITIES

The Chief Executive Officer/General Manager (CEO/GM) implement the Standards in accordance with Board policies and with the following priorities, listed in order of importance:

Priority 1. Manage resource mix to comply with Board Strategic Direction (SD-4) Reliability.

Priority 2. Minimize net commodity energy purchase costs while operating within the targets established in Board Strategic Direction (SD-3) Access to Credit Markets.

Priority 3. Optimize SMUD-owned or controlled assets, including but not limited to, generation, transmission, fuel reserves, pipeline assets, fuel storage and contract resources to create additional value for SMUD and its customers, while complying with Board policies and all applicable laws and regulations.

Priority 4. Provide our customers and community with a sustainable power supply in accordance with Board Strategic Direction (SD-9) Resource Planning.

DIVERSIFICATION AND PORTFOLIO MIX

SMUD will maintain a diverse portfolio of generation, transmission, fuel-related assets and contracts to reasonably mitigate risk and to support its clean energy goals. Risks associated with wholesale contracts will be mitigated through diversified terms and conditions, contract periods and durations, delivery points, counter-parties, and product types.

PORTFOLIO RISK MANAGEMENT PROCEDURES

The CEO/GM will develop and maintain written procedures to implement the Standards and will ensure that appropriate internal controls and limits are in place to ensure compliance with Board policies, the Standards and applicable laws and regulations. Consistent with Board policies and the Standards, the CEO/GM will analyze and implement risk mitigation measures, as appropriate. For illustrative purposes, examples of identified risks and risk mitigation tools are as follows:

<u>Risks</u>	<u>Risk Description</u>	<u>Risk Identification/Mitigation Tools</u>
Market Price Risk	The risk that the absolute price of a given commodity (power, gas) will fluctuate, thereby exposing the District to potential financial losses.	<ul style="list-style-type: none"> • Market and volatility analysis • Forward price curve development • Net position and financial exposure analysis • Mark-to-market analysis • Net income-at-risk analysis • Diversification of product purchases • Dollar-average over time by programmatic purchases
Weather/Volumetric Risk	The potential adverse economic impact of anticipated changes in supply and/or demand. For example, the risk of having less than average generation from SMUD’s hydro project due to a drier than normal year, or less than anticipated retail sales due to a cooler than normal summer.	<ul style="list-style-type: none"> • Frequent snow surveys • Runoff forecast update • Diversification of volumetric hedging programs • Temperature vs. load analysis • Frequent hydro spill risk assessment • Maintain Hydro Stabilization Fund • Diversification of product purchases

<u>Risks</u>	<u>Risk Description</u>	<u>Risk Identification/Mitigation Tools</u>
Credit/Counter-party Risk	The potential financial loss resulting from a counter-party's failure to honor its obligations, including the obligation to settle on a timely basis. For example, a bankrupt counter-party may force SMUD to cover the contracted obligation from the market at a higher price than originally contracted.	<ul style="list-style-type: none"> • Credit Analysis • Credit Limits • Minimum rating levels • Diversification of counter-parties • Guarantees and financial assurances • Netting Agreements
Supply/Delivery Risk	The risk of loss due to non-delivery of power and/or fuel; which could decrease SMUD's system reliability and/or increase financial exposure.	<ul style="list-style-type: none"> • Diversification of delivery points • Retain delivery point flexibility/optionality when practicable • Transmission and pipeline capacity outage duration risk analysis • Natural gas and other fuel storage
Unplanned Outage Risk	The risk of under-supply due to unexpected plant outages, which may increase SMUD's system reliability and/or financial exposure.	<ul style="list-style-type: none"> • Historical plant performance risk analysis • Plant Outage Insurance • Planning and Operating Reserve Analysis • 24-hour trading desk to balance system needs on real-time basis

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Operational/Human Risk	The risk of human error or fraud, or the risk that the system of controls will fail to adequately record, monitor, and account for transactions or positions.	<ul style="list-style-type: none"> • Develop written trading rules and limits • Establish procedures and standards • Establish system of controls for transaction approval, scheduling and payment • Minimize manual hand-off and multiple input of transaction information • Standardize software applications as appropriate • Implement cross-functional training • Implement structured area expertise training • Conduct periodic audits
Regulatory Risk	Market structure and operational risks associated with shifting state and federal regulatory policies, rules and regulations.	<ul style="list-style-type: none"> • Analysis of regulatory, regional and industry trends • Participation in regulatory forums
Extreme Event Risk	The potential financial risk and or reliability risk created by extreme events such as the 2000-2001 energy crisis and the summer 2020 western heat wave.	<ul style="list-style-type: none"> • Portfolio stress testing • Scenario/sensitivity analysis • Maintain Rate Stabilization Fund
Legislative Risk	Risks associated with actions by international, federal and state legislative bodies.	<ul style="list-style-type: none"> • Legislative analysis and monitor industry wide initiatives • Advocacy of issues consistent with Board established policies.

PROHIBITED TRANSACTIONS

SMUD will not engage in the following prohibited transactions:

- Any transaction that is not related to serving load and/or reducing financial exposure;
- Sale of any **uncovered** financial “Put” and/or “Call” options on electric energy, gas, electric transmission or gas pipeline capacity;
- Sale of any other **uncovered** Financial Options;
- Unless adequate credit support is provided, transactions with any counter-party of: (i) longer than one year in duration, with a credit rating less than investment grade; or (ii) one year or less in duration, with a credit rating less than the Standard and Poors equivalent of BB, except for the following transactions with counter-parties having a credit rating equivalent to Standard and Poors B: (a) purchases which are within the next seven days; and (b) sales which are within the current calendar month that do not present at anytime, payment risk to SMUD (i.e., no associated receivable after exercising netting rights which apply offsetting purchases; this transaction restriction does not apply to sales of ancillary services to the California Independent System Operator;
- Any deceptive transactions, including but not limited to transactions that: (i) are intended to manipulate the market; (ii) circumvent market rules; (iii) manipulate market prices; or (iv) inflate volumes traded or available in any region or market; or
- Any transactions prohibited by federal and/or state laws and regulations.

AUTHORIZED TRANSACTIONS

Any transaction or contract entered into by the CEO/GM that is consistent with the Standards and the Delegation of Authority will be deemed authorized and approved by the Board at the time of execution by the CEO/GM or his/her designee.

DELEGATION OF AUTHORITY

Consistent with the Board policies and the Standards, the CEO/GM or his/her designee is delegated the following authority:

Section 1. Transactional Authority. To negotiate and execute on behalf of SMUD the types of contracts and transactions listed below, provided that: (i) such agreement(s) do not have a term greater than three (3) years, as measured from the commencement of performance by either party (e.g., the first date of delivery of

electricity, transmission capacity, fuel, or pipeline capacity); (ii) the commencement of performance is no longer than three (3) years from the date of execution; and (iii) the prices paid under such agreements are at or below prevailing market rates for similar products at the time the contract is made.

- * Purchases, sales and exchanges of electricity, electric capacity and storage, natural gas and clean and emissions-free fuel commodity.
- * Purchases and sales of transmission capacity.
- * Purchase and sales of ancillary services including, but not limited to, spinning reserve, non-spinning reserve, and regulation.
- * Purchase of put and/or call options for electricity and natural gas commodity.
- * Purchase and sale of natural gas and other fuel pipeline capacity.
- * Purchase and sale of natural gas and other fuel storage capacity.
- * Sales of covered call and put options.
- * Purchase and sale of Renewable Energy Credits evidencing the renewable attribute associated with Renewable Energy.
- * Contracts for financial fixed-for-floating or floating-for-fixed price swaps, options and other financially settled energy derivative transactions for purposes of hedging and/or mitigating the price risk of: (i) an underlying physical position in electricity, natural gas or other energy used for the production of District electricity matching a retail load obligation; or (ii) embedded in the pricing formula of a Power Purchase and Sale Agreement; or (iii) for purposes of hedging against the potential financial impact of unpredictable weather conditions, such as heat storms in the District's service territory and/or below average precipitation in the District's Upper American River Project.
- * Purchases and sale of carbon allowances, offsets, and other GHG related products, including both physical and financial transactions.
- * Purchase and sale of low carbon fuel standard credits.

Section 2. Public Utility Regulatory Policies Act of 1978 (PURPA) Transactional Authority. Notwithstanding the three (3) year term limit set forth in Section 1 above, to negotiate and execute on behalf of SMUD purchases for electricity and electric capacity from qualifying facilities for any term provided that: (i) the contract is consistent with federal regulations under PURPA, and ii) the prices paid under such agreements do not exceed SMUD's avoided cost.

Section 3. Long-term Fuel and Power Transactional Authority. To negotiate and execute on behalf of SMUD long-term natural gas, clean and emissions-free fuel, and power supply agreements to purchase discounted tax-exempt fuel and power subject to the following parameters: (i) total purchases from all suppliers shall not exceed 80,000 average dekatherms per day for fuel and 500,000 MWh annually for power; (ii) supplier diversification under this authority shall be maintained by requiring no single supplier provides more than 30,000 average dekatherms per day for fuel or 200,000 MWh annually for power; (iii) contract durations shall not exceed thirty years; (iv) prices paid to suppliers must have expected market discounts at least 75 percent as great as otherwise achievable from a SMUD-sponsored pre-paid transaction; and (v) suppliers must have a proven track record in successfully executing similar transactions.

Section 4. Ancillary Services Transactional Authority. Notwithstanding the credit support restrictions set forth in “Prohibited Transactions,” to make sales of ancillary services to the California Independent System Operator.

Section 5. Enabling Agreement Authority. To negotiate and execute on behalf of SMUD enabling agreements, irrespective of term, including but not limited to the agreements sponsored by the Western Systems Power Pool (“WSPP”), Edison Electric Institute (“EII”), North America Energy Standards Board (“NAESB”), Gas Industry Standards Board (“GISB”), International Swap Dealers Association (“ISDA”) and other prevailing industry form agreements for purposes of facilitating the negotiation of future transactions specified in Section 1, above. An Enabling Agreement does not commit SMUD to any specific transaction; rather it is an agreement setting forth standard terms and conditions (other than terms and conditions for transaction specific agreements, such as, price, quantity, term and delivery point), which will apply to future transactions entered into under the respective Enabling Agreement. All transactions entered into under any Enabling Agreement will be subject to the limits set forth in Section 1, above.

Section 6. Tariff Related Agreement Authority. To negotiate and execute on behalf of SMUD transmission, facilities, distribution, generator and scheduling agreements, irrespective of term, pursuant to approved tariffs.

Section 7. Transmission Planning Agreement Authority. To negotiate and execute on behalf of SMUD agreements intended to facilitate regional transmission planning, irrespective of term; provided the agreement does not commit SMUD to the development, support for or funding of any particular transmission project or projects.

Section 8. GHG Market-Based Compliance Program Related Authority. To transact in, and to negotiate and execute on behalf of SMUD all agreements necessary to participate in, the auctions administered by the California Air Resources Board or successor entity as part of California’s greenhouse gas market-based compliance program.

Section 9. Advance Funding Authority. To negotiate and execute on behalf of SMUD revisions to Exhibit C of the Agreement for the Funding of Operation and Maintenance for the Central Valley Project Power Facilities for the purposes of

establishing SMUD's advance funding contribution to the Western Area Power Administration (Western) in an amount no greater than the estimated annual power deliveries from Western.

Section 10. Purchase, Sale, or Exchange of Air Emission Reduction Credits (ERCs). To negotiate and execute on behalf of SMUD agreements for the:

- i) Purchase of ERCs (a) that are needed or anticipated to be needed for SMUD operations; (b) that are priced at or below fair market value and (c) that do not exceed \$10 million.
- ii) Sale of ERCs that are (a) are surplus to SMUD's actual or anticipated needs; (b) are for use within the SMUD service territory; (c) are priced at or above fair market value; and (d) do not exceed \$100,000.
- iii) Exchange of ERCs that (a) provide present or future operational flexibility; (b) are of equal or superior quality and value; and (c) do not exceed a fair market value of \$100,000.

REPORTING

The CEO/GM will report to the Board of Directors as follows:

Annually - Submit a five (5) year commodity budget forecast report.

Quarterly - Submit a report to include: (i) a current year commodity budget update; and (ii) a current and next year commodity financial exposure update.

Quarterly – Report on any new multi-year contracts entered into under the Delegation of Authority for wholesale energy, fuel and environmental attribute transactions and contracts.

RESOLUTION NO. _____

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Section 1. This Board approves the revisions to the **Energy Risk Management and Energy Trading Standards**, substantially in the form set forth in **Attachment ___** hereto and made a part hereof.

Section 2. Resolution No. 24-06-09 is superseded in its entirety.

SSS No.

SCS 24-249

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance & Audit – 09/17/24
Board Meeting Date
September 19, 2024

TO					TO							
1.	Casey Fallon				6.							
2.	Laurie Rodriguez				7.							
3.	Scott Martin				8.							
4.	Lora Anguay				9.	Legal						
5.	Jose Bodipo-Memba				10.	CEO & General Manager						
Consent Calendar		<input checked="" type="checkbox"/>	Yes	No <i>If no, schedule a dry run presentation.</i>			Budgeted		<input checked="" type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR) Andrew McDermott				DEPARTMENT Procurement				MAIL STOP EA404	EXT. 5862	DATE SENT 08/23/24		

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to negotiate and award a contract to United Health Care Insurance Company (“United HealthCare”) to provide administration of SMUD’s Medical Benefits Plan for an initial three-year period from January 1, 2025, to December 31, 2027, with two optional one-year extensions, for a contract total not-to-exceed amount of \$275 million.

Summary: This was a two-step solution process including request for qualifications initially, followed by a request for proposal phase. The Request for Qualifications Doc 4338060278 (RFQ) was issued in December 2023 to qualify firms to participate in the Request for Proposals (RFP) for administration of SMUD’s Medical Benefits Plan. With the assistance of Aon Consultants (“Aon”), SMUD Procurement and People Services & Strategies issued the RFQ with an extensive pass/fail requirements. SMUD received three proposals for said RFQ and all three respondents qualified for the subsequent RFP. With the assistance of AON and work groups throughout SMUD, the evaluation of the RFP responses was completed. It was determined that United HealthCare was the highest evaluated proposer and the only proposer who could provide all the services requested for our active employees and retirees. The proposal from United HealthCare included: (1) no network disruption for active employees and retirees (Pre and Post-65); (2) no disruption in medical groups (in greater Sacramento region): Sutter Medical Group, Brown & Toland, Dignity Health/Mercy Medical Group, UC Davis Medical Group, and Hill’s Physicians; (3) similar plan design options and offerings including High Deductible Health Plan with Health Savings Account (HSA) (HDHP), Preferred Provider Organization (PPO) (closed plan), and Health Maintenance Organization (HMO) (High and Low) plans for active employees, HMO High and PPO plans for our Pre-65 early retirees and Medicare Advantage Plan for our post-65 retirees; and (4) \$200,000 renewable implementation credit with no restrictions of use. The United HealthCare proposal includes a 2nd year, 2026, rate cap of 8.9% for HMO plans, 13.4% for PPO/HDHP plans. Offered a 3rd year, 2027, benefit-cost ration (BCR) for HMO plans, no rate cap for PPO/HDHP plans. Offered a 2026 and 2027 maximum rate increase of \$75 PMPM for Medicare Advantage Plans. The Best and Final Offer, United HealthCare provided an overall additional decrease of \$145,000, or -0.45% for combined Active, Retiree, and Medicare Plans. This is down from an increase of 2.76%. The total savings for the awards is \$1,173,000.

Recommendation: Award to the Highest Evaluated Responsive Proposer.

Award to:

United Health Care Insurance Company
185 Asylum Street
Hartford, CT 06103

Proposers Notified by Procurement: 3
Proposers Downloaded: 3
Pre-Proposal Conference Attendance: 3

Proposals Received:

3

Responsive Proposals Received	P/F	80 Points Technical	20 Points Pricing	Total Score	Overall Rank	Proposal Amount	Proposed Award Amount
United Health Care	P	65.75	20.00	80.75	1	\$36,411,000	\$275,000,000
Blue Shield	P	48.23	19.13	67.36	2	\$38,076,000	
Anthem	P	34.13	18.29	52.42	3	\$39,805,000	

Board Policy: Board-Staff Linkage BL-8, Delegation to the CEO with Respect to Procurement; Procurement. Strategic Direction SD-3, Access to Credit Markets: SMUD staff negotiated best price and terms with medical providers in consideration of the long-term revenue requirements, debt, and financial risk to SMUD. Strategic Direction SD-8, Employee Relations. Providing medical benefits to employees supports SMUD’s goal of an inclusive workplace that engages and inspires employees to commit to SMUD’s purpose, vision, and values

Benefits: To provide quality medical benefits to eligible SMUD employees, retirees, and eligible dependents.

Cost/Budgeted: \$275,000,000; Budgeted for 2025-2029 by People Services & Strategies

Alternatives: Not award, which would jeopardize SMUD’s ability to provide the required employee health benefits and impact employee’s access to health care. Extend the current contract, with United HealthCare, for an additional year and could result in higher premiums. Additionally remarketing this RFP could take up to a year and result in the same outcome.

Affected Parties: People Services & Strategies, Procurement, Warehouse & Fleet, and United HealthCare

Coordination: People Services & Strategies and Procurement, Warehouse & Fleet

Presenter: Laurie Rodriguez, Director, People Services & Strategies

Additional Links:

SUBJECT	Award Medical Benefits Plan Contract	ITEM NO. (FOR LEGAL USE ONLY) 10
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

2025 Active Employee Medical Rates

Active Employees	Basic		
Carrier	Employee Only	Employee +1	Employee +Family
United Healthcare Signature Value HMO – High Plan	\$1,260.72	\$2,660.11	\$3,807.36
United Healthcare Signature Value HMO – Low Plan	\$1,133.29	\$2,391.22	\$3,422.59
United Healthcare Signature Alliance HMO – High Plan	\$1,059.73	\$2,236.03	\$3,200.38
United Healthcare Signature Alliance HMO – Low Plan	\$952.62	\$2,010.01	\$2,876.94
United Healthcare High Deductible Health Plan	\$982.76	\$2,073.63	\$2,967.93
United Healthcare PPO Plan	\$1,899.89	\$4,008.77	\$5,737.67

2025 Retiree Medical Rates

Retiree	Basic			Medicare	
Carrier	Retiree Only	Retiree +1	Retiree +1 Family	Retiree	Retiree+1
United Healthcare Signature Value HMO	\$1260.72	\$2260.11	\$3807.36	N/A	N/A
United Healthcare Signature Alliance HMO	\$1059.73	\$2236.03	\$3200.39	N/A	N/A
United Healthcare PPO - In CA	\$1,767.47	\$3729.36	\$5337.75	N/A	N/A
United Healthcare PPO - Out Of CA	\$1,767.47	\$3729.36	\$5337.75	N/A	N/A
United Healthcare Medicare Advantage	N/A	N/A	N/A	\$447.08	\$894.16

RESOLUTION NO. _____

WHEREAS, in December 2023, SMUD issued Request for Qualifications Doc 4338060278 (RFQ) for administration of SMUD's medical benefits plan; and

WHEREAS, with the assistance of **Aon Consultants (Aon)**, staff issued the RFQ with extensive pass/fail requirements and received three proposals that qualified for the subsequent Request for Proposal Doc 4338060278 (RFP); and

WHEREAS, three proposals were received and evaluated; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Section 1. As a result of such evaluation, **United Health Care Insurance Company (United HealthCare)** is hereby determined and declared to be the highest evaluated responsive proposer to provide administration of SMUD's medical benefits plan.

Section 2. The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to negotiate and award a contract to **United HealthCare** to provide administration of SMUD's medical benefits plan for an initial three-year period from January 1, 2025, to December 31, 2027, with two optional one-year extensions, for a contract total not-to-exceed amount of \$275 million.

Section 3. The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the contract that, in his prudent judgment: (a) further the primary purpose of the contract;

(b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.

SSS No. PSS 24-006

BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 09/17/24
Board Meeting Date September 19, 2024

TO	TO
1. Casey Fallon	6.
2. Laurie Rodriguez	7.
3. Jose Bodipo-Memba	8.
4. Scott Martin	9. Legal
5. Lora Anguay	10. CEO & General Manager

Consent Calendar	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
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FROM (IPR) Laurie Rodriguez	DEPARTMENT People Services & Strategies	MAIL STOP B251	EXT. 5628	DATE SENT 08/23/24
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NARRATIVE:

Requested Action: Approve contract change to Contract No. 4500043215 with Kaiser Permanente approving 2025 medical insurance premium rates and extending the contract by one year for the period January 1, 2025, through December 31, 2025. The total estimated cost for 2025, based on the current enrollment population, is \$34.5 million.

Summary: Kaiser Permanente presented SMUD with a renewal increase for the 2025 plan year of 20% for active employee, pre-65 retiree and Medicare Advantage medical plans. The percentage increase is determined by a 12-month utilization period where there were significant increases due to lag of individuals returning to address medical conditions following the pandemic, and an increase in serious illnesses and associated pharmaceutical costs. We anticipate rates being more in line with lower past trends and decreasing next year based on the last six months of utilization data. The 20% increase is based on the difference in the aggregated total cost of premiums for active employees and retirees (and dependents) enrolled in the Kaiser Permanente plans from 2023 to 2024. Based on these rates and current enrollment, the total cost for 2025 medical benefit plans is projected at \$34.5 million.

These actions will allow SMUD to provide medical benefit plans for the year 2025 to employees, retirees, and eligible dependents enrolled in SMUD’s medical Kaiser plans in the most cost-effective manner. Kaiser remains the lower cost of the two plans offered.

Note: The estimated costs above will vary based on 2025 employee/retiree Open Enrollment selections and SMUD population.

Board Policy: *(Number & Title)* Strategic Direction SD-3, Access to Credit Markets. SMUD staff negotiated best price and terms with medical providers in consideration of the long-term revenue requirements, debt, and financial risk to SMUD.

Strategic Direction SD-8, Employee Relations. Providing medical benefits to employees supports SMUD’s goal of an inclusive workplace that engages and inspires employees to commit to SMUD’s purpose, vision, and values.

Benefits: Provide quality medical benefits to eligible SMUD employees, retirees, and eligible dependents.

Cost/Budgeted: Assuming current enrollment, SMUD’s share of cost is projected at \$34.5 million (after employee/retiree contributions).

Alternatives: Not accepting the proposed rate increases would jeopardize SMUD’s ability to provide the required employee health benefits and impact employees’ access to health care and out of compliance with current labor Memoranda of Understanding (MOUs).

Affected Parties: All eligible SMUD employees, retirees and eligible dependents participating in SMUD’s Kaiser medical benefit plans.

Coordination: People Services & Strategies, Procurement, Warehouse & Fleet, and Aon Benefit Consultant Firm

Presenter: Laurie Rodriguez, Director, People Services & Strategies

Additional Links:

SUBJECT

Approve 2025 Kaiser Permanente Contract Change

ITEM NO. (FOR LEGAL USE ONLY)

11

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

2025 Active Employee Medical Rates

Active Employees	Basic		
Carrier	Employee Only	Employee +1	Employee +Family
Kaiser HMO – High Plan	\$894.49	\$1,788.98	\$2,683.47
Kaiser HMO – Low Plan	\$847.90	\$1,695.80	\$2,543.70

2025 Retiree Medical Rates

Retiree	Basic			Medicare	
Carrier	Retiree Only	Retiree +1	Retiree +1 Family	Retiree	Retiree+1
Kaiser HMO	\$872.73	\$1785.46	\$2678.19	\$308.25	\$616.51
Kaiser Medicare Unassigned*	N/A	N/A	N/A	\$1864.16	\$3728.32
Kaiser Medicare Part A only**	N/A	N/A	N/A	\$1453.51	\$2907.02

*Age 65+ retiree - not enrolled in Medicare - transitional plan

** Have Medicare Part A due to disability but not enrolled in Medicare Part B due to age (under 65)

RESOLUTION NO. _____

WHEREAS, by Resolution No. 11-09-03, adopted September 1, 2011, this Board authorized a contract with **Kaiser Permanente (Kaiser)** to provide medical benefits for the year 2012 to SMUD employees, retirees and eligible dependents; and

WHEREAS, by Resolution No. 12-09-03, adopted September 6, 2012, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2013 to SMUD employees, retirees and eligible dependents; and

WHEREAS, by Resolution No. 13-09-04, adopted September 5, 2013, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2014 to SMUD employees, retirees and eligible dependents; and

WHEREAS, by Resolution No. 14-08-09, adopted August 21, 2014, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2015 to SMUD employees, retirees and eligible dependents; and

WHEREAS, by Resolution No. 15-09-04, adopted September 3, 2015, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2016 to SMUD employees, retirees and eligible dependents; and

WHEREAS, by Resolution No. 16-10-03, adopted October 6, 2016, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2017 to SMUD employees, retirees and eligible dependents; and

WHEREAS, by Resolution No. 17-09-04, adopted September 21, 2017, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2018 to SMUD employees, retirees and eligible dependents; and

WHEREAS, by Resolution No. 18-07-04, adopted July 19, 2018, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2019 to SMUD employees, retirees and eligible dependents; and

WHEREAS, by Resolution No. 19-10-07, adopted October 17, 2019, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2020 to SMUD employees, retirees and eligible dependents; and

WHEREAS, by Resolution No. 20-09-06, adopted September 17, 2020, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2021 to SMUD employees, retirees and eligible dependents; and

WHEREAS, by Resolution No. 21-10-07, adopted October 21, 2021, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2022 to SMUD employees, retirees and eligible dependents; and

WHEREAS, by Resolution No. 22-10-14, adopted October 20, 2022, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2023 to SMUD employees, retirees and eligible dependents; and

WHEREAS, by Resolution No. 23-09-08, adopted September 21, 2023, this Board authorized an extension of the **Kaiser** contract to provide medical benefits for the year 2024 to SMUD employees, retirees and eligible dependents; and

WHEREAS, it would be in SMUD's best interest to extend the medical benefit contract with **Kaiser** and approve the 2025 premiums through December 31, 2025, because of their distinctive services and relatively lower cost compared to other health plans; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Section 1. The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of the SMUD, to approve 2025 medical insurance rates and extend Contract No. 4500043215 with **Kaiser Permanente** by one year, for the period January 1, 2025, through December 31, 2025, with the 2025 cost estimated at \$34.5 million pursuant to the premiums set forth in **Attachment ____** hereto and made a part hereof.

Section 2. The Chief Executive Officer and General Manager, or his designee, is authorized to make future changes to the terms and conditions of the contract that, in his prudent judgment: (a) further the primary purpose of the contract; (b) are intended to provide a net benefit to SMUD; and (c) do not exceed the authorized contract amounts and applicable contingencies.

SSS No.
PSS 24-005

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit – 09/17/24
Board Meeting Date September 19, 2024

TO				TO			
1.	Laurie Rodriguez	6.					
2.	Russell Mills	7.					
3.	Jose Bodipo-Memba	8.					
4.	Scott Martin	9.	Legal				
5.	Lora Anguay	10.	CEO & General Manager				
Consent Calendar	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<i>If no, schedule a dry run presentation.</i>	Budgeted	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Laurie Rodriguez		DEPARTMENT People Services & Strategies		MAIL STOP B251	EXT. 5628	DATE SENT 08/23/24	

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager (CEO/GM), or his delegate, on behalf of Sacramento Municipal Utility District (SMUD) to join, terminate, and rejoin Public Risk Innovation, Solutions, and Management (PRISM) for the placement or cancellation of employee benefits and other insurance policies or contracts in an amount not to exceed \$3 million each in support of SMUD’s Paid Family Leave, Short-Term Disability and Long-Term Disability benefits and potential future employee benefits and other insurance needs, and to execute all agreements and documents necessary in connection with the placement or cancellation of the insurance policies or contracts.

Summary: Staff conducted market research regarding current employee benefits such as paid family leave, short-term disability leave, and long-term disability leave and determined that modifications to SMUD’s employee benefits package would support the Board’s directive with regard to employee attraction and retention. Previously, some of these benefits have been offered through self-funded insurance with voluntary enrollment by employees. In conjunction with SMUD’s review of insurance and pooling options, SMUD has determined that joining PRISM would be beneficial to SMUD.

PRISM, formerly known as CSAC Excess Insurance Authority, was formed under the sponsorship of the County Supervisors Association of California dba California State Association of Counties to find cost effective insurance solutions and risk management services and is a member directed risk sharing pool. PRISM’s membership includes 95 percent of California counties, 70 percent of California cities, and 10 percent of California educational organizations, special districts, housing authorities, fire districts, and 27 Joint Powers Authorities.

Accordingly, staff seeks approval for the CEO/GM, or his delegate, to execute all documents necessary for SMUD to join, terminate, and/or rejoin PRISM for the placement or cancellation of employee benefits insurance policies and contracts in an amount not to exceed \$3 million each.

Board Policy: *(Number & Title)* Strategic Direction SD-8, Employee Relations. Providing new Paid Family Leave insurance as well as improved Short-Term and Long-Term insurance supports SMUD’s commitment to attract and retain a highly qualified and diverse workforce and promotes and inclusive workplace that engages and inspires employees to commit to SMUD’s purpose, and vision and values.

Benefits: To provide new Paid Family Leave and improved Short-Term and Long-Term insurance benefits for eligible SMUD employees.

Cost/Budgeted: There is no associated cost or budget to join PRISM. The associated costs are factored into each insurance policy or contract.

Alternatives: Not approve, which would jeopardize SMUD’s employee benefits insurance policies, including Paid Family Leave, Short-Term Disability and Long-Term Disability benefits. SMUD is contractually obligated to provide Short-Term and Long-Term Disability insurance plans per our Memorandums of Understanding with our three unions.

Affected Parties: SMUD, SMUD employees and their families.

Coordination: Executive Office, People Services & Strategies, Legal and Treasury

Presenter: Laurie Rodriguez, Director, People Services & Strategies

Additional Links:

SUBJECT

Approve Membership in PRISM and Employee Benefit Insurance

ITEM NO. (FOR LEGAL USE ONLY)

12

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.



Adopted: October 5, 1979
Amended: May 12, 1980
Amended: January 23, 1987
Amended: October 7, 1988
Amended: March 1993
Amended: November 18, 1996
Amended: October 4, 2005
Amended: February 28, 2006
Amended: June 30, 2020

**JOINT POWERS AGREEMENT
PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT**

This Agreement is executed in the State of California by and among those counties and public entities organized and existing under the Constitution of the State of California, which are parties signatory to this Agreement. Public Risk Innovation, Solutions, and Management (referred to herein as PRISM), formerly known as CSAC Excess Insurance Authority, was formed under the sponsorship of CSAC. California counties, hereinafter called member counties, and public entities, hereinafter called member public entities, (collectively "members") shall be listed in Appendix A, which shall be attached hereto and made a part hereof.

RECITALS

WHEREAS, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties; and

WHEREAS, Article 16, Section 6 of the California Constitution provides that insurance pooling arrangements under joint exercise of power agreements shall not be considered the giving or lending of credit as prohibited therein; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, pursuant to California Government Code Section 990.6, the cost of insurance provided by a local public entity is a proper charge against the local public entity; and

WHEREAS, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4 and such pooling of self-insured claims or losses is not considered insurance nor subject to regulation under the Insurance Code; and

WHEREAS, the counties and public entities executing this Agreement desire to join together for the purpose of jointly funding and/or establishing excess and other insurance programs as determined;

NOW THEREFORE, the parties agree as follows:

**ARTICLE 1
DEFINITIONS**

"CSAC" shall mean the County Supervisors Association of California, dba California State Association of Counties.

"Board of Directors" or **"Board"** shall mean the governing body of PRISM.

"Claim" shall mean a claim made against a member arising out of an occurrence, which is covered by an excess or primary insurance program of PRISM in which the member is a participant.

"Executive Committee" shall mean the Executive Committee of the Board of Directors of PRISM.

"Fiscal year" shall mean that period of twelve months which is established by the Board of Directors as the fiscal year of PRISM.

"Government Code" shall mean the California Government Code.

"Insurance program" or **"program"** shall mean a program which has been designated as a major program of PRISM under which participating members are protected against designated losses, either through joint purchase of primary or excess insurance, pooling of self-insured claims or losses, purchased insurance or any other combination as determined by the Board of Directors. The Board of Directors, the Executive Committee, or a program's governing committee may determine applicable criteria for determining eligibility in any insurance program, as well as establishing program policies and procedures.

"Joint powers law" shall mean Article 1, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the Government Code.

"Loss" shall mean a liability or potential liability of a member, including litigation expenses, attorneys' fees and other costs, which is covered by an insurance program of PRISM in which the member is a participant.

"Member county" shall mean any county in the State of California which has executed this Agreement and become a member of PRISM. "Member County" shall also include those entities or other bodies set forth in Article 3 (c).

"Member Public Entity" shall mean any California public entity, which is not a California county, which has executed this Agreement, and become a member of PRISM, "Member Public Entity" shall also include those entities or other bodies set forth in Article 3(c).

"Miscellaneous Program" is an insurance program of PRISM that does not involve pooling of self-insured claims or losses and may be made available to members as well as non-member public entities that are not a party to this Agreement.

"Occurrence" shall mean an event which is more fully defined in the memorandums of coverage and/or policies of an insurance program in which the participating county or participating public entity is a member.

"Participating county" shall mean any member county which has entered into a program offered by PRISM pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

"Participating public entity" shall mean any member public entity which has entered into a program offered by PRISM pursuant to Article 14 of this Agreement and has not withdrawn or been canceled therefrom pursuant to Articles 20 or 21.

"Self-insured retention" shall mean that portion of a loss resulting from an occurrence experienced by a member, which is retained as a liability or potential liability of the member and is not subject to payment by PRISM.

"Reinsurance" shall mean insurance purchased by PRISM as part of an insurance program to cover that portion of any loss, which exceeds the joint funding capacity of that program.

ARTICLE 2 PURPOSES

This Agreement is entered into by the member counties and member public entities in order to jointly develop and fund insurance programs as determined. Such programs may include, but are not limited to, the creation of joint insurance funds, including primary and excess insurance funds, the pooling of self-insured claims and losses, purchased insurance, including reinsurance, and the provision of necessary administrative services. Such administrative services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal defense services.

ARTICLE 3 PARTIES TO AGREEMENT

- (a) There shall be two classes of membership of the parties pursuant to this Agreement consisting of one class designated as Member Counties and another class designated as Member Public Entities.
- (b) Each member county and member public entity, as a party to this Agreement, certifies that it intends to and does contract with all other members as parties to this Agreement and, with such other members as may later be added as parties to this Agreement pursuant to Article 19 as to all programs of which it is a participating member. Each member also certifies that the removal of any party from this Agreement, pursuant to Articles 20 or 21, shall not affect this Agreement or the member's obligations hereunder.
- (c) A member for purposes of providing insurance coverage under any program of PRISM, may contract on behalf of, and shall be deemed to include:
 - Any public entity as defined in Government Code § 811.2 which the member requests to be added and from the time that such request is approved by the Executive Committee of PRISM.
 - Any nonprofit entity, including a nonprofit public benefit corporation formed pursuant to Corporations Code §§ 5111, 5120 and, 5065, which the member requests to be added and from the time that such request is approved by the Executive Committee.
- (d) Any public entity or nonprofit so added shall be subject to and included under the member's SIR or deductible, and when so added, may be subject to such other terms and conditions as determined by the Executive Committee.
- (e) Such public entity or nonprofit shall not be considered a separate party to this Agreement. Any public entity or nonprofit so added, shall not affect the member's representation on the Board of Directors and shall be considered part of and represented by the member for all purposes under this Agreement.
- (f) The Executive Committee shall establish guidelines for approval of any public entity or nonprofit so added in accordance with Article 3(c) and (d).
- (g) Should any conflict arise between the provisions of this Article and any applicable Memorandum of Coverage or other document evidencing coverage, such Memorandum of Coverage or other document evidencing coverage shall prevail.

ARTICLE 4 TERM

This Agreement shall continue in effect until terminated as provided herein.

**ARTICLE 5
CREATION OF PRISM**

Pursuant to the joint powers law, there is hereby created a public entity separate and apart from the parties hereto, to be known as Public Risk Innovation, Solutions, and Management ("PRISM"), with such powers as are hereinafter set forth.

**ARTICLE 6
POWERS OF PRISM**

PRISM shall have all of the powers common to General Law counties in California, such as Alpine County and all additional powers set forth in the joint powers law, and is hereby authorized to do all acts necessary for the exercise of said powers. Such powers include, but are not limited to, the following:

- (a) To make and enter into contracts.
- (b) To incur debts, liabilities, and obligations.
- (c) To acquire, hold, or dispose of property, contributions and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, and government entities.
- (d) To sue and be sued in its own name, and to settle any claim against it.
- (e) To receive and use contributions and advances from members as provided in Government Code Section 6504, including contributions or advances of personnel, equipment, or property.
- (f) To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code Section 6509.5.
- (g) To allow non-member public entities and non-member counties to participate in Miscellaneous Programs and for risk management services to be provided to non-member counties and non-member public entities including out-of-state participants in a PRISM program.
- (h) To carry out all provisions of this Agreement.

Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

**ARTICLE 7
BOARD OF DIRECTORS**

PRISM shall be governed by the Board of Directors, which shall be composed as follows:

- (a) One director from each member county, appointed by the member county board of supervisors and serving at the pleasure of that body. Each member county board of supervisors shall also appoint an alternate director who shall have the authority to attend, participate in and vote at any meeting of the Board of Directors when the director is absent. A director or alternate director shall be a county supervisor, other county official, or staff person of the member county, and upon termination of office or employment with the county, shall automatically terminate membership or alternate membership on the Board of Directors.
- (b) Ten directors consisting of seven directors and three alternate directors chosen in the manner specified in the Bylaws from those participating as public entity members. A director or alternate public entity director shall be an official, or staff person of the public

entity member, and upon termination of office or employment with the public entity, shall automatically terminate membership or alternate membership on the Board of Directors.

- (c) Member county directors shall consist of a minimum of 80% of the eligible voting members on the Board of Directors. The public entity member directors shall be reduced accordingly to ensure at least 80% of the Board of Directors consists of county director members (By way of example, if the number of county members is reduced from the current 54 by member withdrawals to a level of 28, then county members would be at the 80% level, 28/35. If the county members go to 27, then the public entity members would lose one seat and would only have 6 votes).

Any vacancy in a county director or alternate director position shall be filled by the appointing county's board of supervisors, subject to the Provisions of this Article. Any vacancy in a public entity director position shall be filled by vote of the public entity members.

A majority of the membership of the Board of Directors shall constitute a quorum for the transaction of business. Each member of the Board of Directors shall have one vote. Except as otherwise provided in this Agreement or any other duly executed agreement of the members, all actions of the Board of Directors shall require the affirmative vote of a majority of the members; provided, that any action which is restricted in effect to one of PRISM's insurance programs, shall require the affirmative vote of a majority of those Board of Directors members who represent counties and public entities participating in that program. For purposes of an insurance program vote, to the extent there are public entity members participating in a program, the public entity Board of Directors members as a whole shall have a minimum of one vote. The public entity Board of Directors members may in no event cast more votes than would constitute 20% of the number of total county members in that program (subject to the one vote minimum). Should the number of public entity Board of Directors votes authorized herein be less than the number of public entity Board of Directors members at a duly noticed meeting, the public entity Board of Directors members shall decide among themselves, which Board of Directors member shall vote. Should they be unable to decide, the President of PRISM shall determine which director(s) shall vote.

ARTICLE 8 POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have the following powers and functions:

- (a) The Board of Directors shall exercise all powers and conduct all business of PRISM, either directly or by delegation to other bodies or persons unless otherwise prohibited by this Agreement, or any other duly executed agreement of the members or by law.
- (b) The Board of Directors may adopt such resolutions as deemed necessary in the exercise of those powers and duties set forth herein.
- (c) The Board of Directors shall form an Executive Committee, as provided in Article 11. The Board of Directors may delegate to the Executive Committee and the Executive Committee may discharge any powers or duties of the Board of Directors except adoption of PRISM's annual budget. The powers and duties so delegated shall be specified in resolutions adopted by the Board.
- (d) The Board of Directors may form, as provided in Article 12, such other committees as it deems appropriate to conduct the business of PRISM. The membership of any such other committee may consist in whole or in part of persons who are not members of the Board of Directors.

- (e) The Board of Directors shall elect the officers of PRISM and shall appoint or employ necessary staff in accordance with Article 13.
- (f) The Board of Directors shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of PRISM. Adoption of the budget may not be delegated.
- (g) The Board of Directors shall develop, or cause to be developed, and shall review, modify as necessary, and adopt each insurance program of PRISM, including all provisions for reinsurance and administrative services necessary to carry out such program.
- (h) The Board of Directors, directly or through the Executive Committee, shall provide for necessary services to PRISM and to members, by contract or otherwise, which may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal services.
- (i) The Board of Directors shall provide general supervision and policy direction to the Chief Executive Officer.
- (j) The Board of Directors shall receive and act upon reports of the committees and the Chief Executive Officer.
- (k) The Board of Directors shall act upon each claim involving liability of PRISM, directly or by delegation of authority to the Executive Committee or other committee, body or person, provided, that the Board of Directors shall establish monetary limits upon any delegation of claims settlement authority, beyond which a proposed settlement must be referred to the Board of Directors for approval.
- (l) The Board of Directors may require that PRISM review, audit, report upon, and make recommendations with regard to the safety or claims administration functions of any member, insofar as those functions affect the liability or potential liability of PRISM. The Board of Directors may forward any or all such recommendations to the member with a request for compliance and a statement of potential consequences for noncompliance.
- (m) The Board of Directors shall receive, review and act upon periodic reports and audits of the funds of PRISM, as required under Articles 15 and 16 of this Agreement.
- (n) The Board of Directors may, upon consultation with a casualty actuary, declare that any funds established for any program has a surplus of funds and determine a formula to return such surplus to the participating counties and participating public entities, which have contributed, to such fund.
- (o) The Board of Directors shall have such other powers and duties as are reasonably necessary to carry out the purposes of PRISM.

**ARTICLE 9
MEETINGS OF THE BOARD OF DIRECTORS**

- (a) The Board of Directors shall hold at least one regular meeting each year and shall provide for such other regular meetings and for such special meetings as it deems necessary.
- (b) The Chief Executive Officer of PRISM shall provide for the keeping of minutes of regular and special meetings of the Board of Directors, and shall provide a copy of the minutes to each member of the Board of Directors at the next scheduled meeting.
- (c) All meetings of the Board of Directors, the Executive Committee and such committees as established by the Board of Directors pursuant to Article 12 herein, shall be called,

noticed, held and conducted in accordance with the provisions of Government Code Section 54950 et seq.

ARTICLE 10 OFFICERS

The Board of Directors shall elect from its membership a President and Vice President of the Board, to serve for one-year terms.

The President, or in his or her absence, the Vice President, shall preside at and conduct all meetings of the Board of Directors and shall chair the Executive Committee.

ARTICLE 11 EXECUTIVE COMMITTEE

The Board of Directors shall establish an Executive Committee of the Board of Directors, which shall consist of eleven members: the President and Vice President of the Board of Directors, and nine members elected by the Board of Directors from its membership.

The terms of office of the nine non-officer members shall be as provided in the Bylaws of PRISM.

The Executive Committee shall conduct the business of PRISM between meetings of the Board of Directors, exercising all those powers as provided for in Article 8, or as otherwise delegated to it by the Board.

ARTICLE 12 COMMITTEES

The Board of Directors may establish committees, as it deems appropriate to conduct the business of PRISM. Members of the committees shall be appointed by the Board of Directors, to serve two year terms, subject to reappointment by the Board of Directors. The members of each committee shall annually select one of their members to chair the Committee.

Each committee shall be composed of at least five members and shall have those duties as determined by the Board of Directors, or as otherwise set forth in the Bylaws.

Each committee shall meet on the call of its chair, and shall report to the Executive Committee and the Board of Directors as directed by the Board of Directors.

ARTICLE 13 STAFF

- (a) **Principal Staff.** The **Chief Executive Officer** shall be appointed by and serve at the pleasure of the Board of Directors. The Chief Executive Officer shall serve as the Board Secretary and administer the business and activities of PRISM, subject to the general supervision and policy direction of the Board of Directors and Executive Committee; shall be responsible for all minutes, notices and records of PRISM and shall perform such other duties as are assigned by the Board and Executive Committee.
- (b) **Treasurer and Auditor.** Pursuant to Government Code Section 6505.6, the Chief Financial Officer shall serve as the Treasurer/Auditor. The duties of the Treasurer are set forth in Article 16 of this Agreement. The Chief Financial Officer shall draw warrants to pay demands against PRISM. The Chief Financial Officer shall comply with the provisions of Government Code Section 6505.5 (a-d) and shall be appointed by and serve at the pleasure of the Chief Executive Officer.
- (c) **Other Staff.** The Board of Directors, Executive Committee or Chief Executive Officer shall provide for the appointment of such other staff as may be necessary for the administration of PRISM.

**ARTICLE 14
DEVELOPMENT, FUNDING AND IMPLEMENTATION
OF INSURANCE PROGRAMS**

- (a) **Program Coverage.** Insurance programs of PRISM may provide coverage, including excess insurance coverage for:
- (1) Workers' compensation;
 - (2) Comprehensive liability, including but not limited to general, personal injury, contractual, public officials errors and omissions, and incidental malpractice liability;
 - (3) Comprehensive automobile liability;
 - (4) Hospital malpractice liability;
 - (5) Property and related programs;

and may provide any other coverages authorized by the Board of Directors. The Board of Directors shall determine, for each such program, a minimum number of participants required for program implementation and may develop specific program coverages requiring detailed agreements for implementation of the above programs.

- (b) **Program and PRISM Funding.** The members developing or participating in an insurance program shall fund all costs of that program, including administrative costs, as hereinafter provided. Costs of staffing and supporting PRISM, hereinafter called PRISM general expenses, shall be equitably allocated among the various programs by the Board of Directors, and shall be funded by the members developing or participating in such programs in accordance with such allocations, as hereinafter provided. In addition, the Board of Directors may, in its discretion, allocate a share of such PRISM general expense to those members, which are not developing or participating in any program, and require those counties and public entities to fund such share through a prescribed charge.

- (1) **Annual Premium.** Except as provided in (2) below, all post-development costs of an insurance program shall be funded by annual premiums charged to the members participating in the program each policy year, and by interest earnings on the funds so accumulated. Such premiums shall be determined by the Board of Directors or the program's governing committee upon the basis of a cost allocation plan and rating formula developed by PRISM with the assistance of a casualty actuary, risk management consultant, or other qualified person. The premium for each participating member shall include that participant's share of expected program losses including a margin for contingencies as determined by the Board of Directors, program reinsurance costs, and program administrative costs for the year, plus that participant's share of PRISM general expense allocated to the program by the Board of Directors.
- (2) **Premium Surcharge**
 - (i) If PRISM experiences an unusually large number of losses under a program during a policy year, such that notwithstanding reinsurance coverage for large individual losses, the joint insurance funds for the program may be exhausted before the next annual premiums are due, the Board of Directors or the program's governing committee may, upon consultation with a casualty actuary, impose premium surcharges on all participating members; or

- (ii) If it is determined by the Board of Directors or the program's governing committee, upon consultation with a casualty actuary, that the joint insurance funds for a program are insufficient to pay losses, fund known estimated losses, and fund estimated losses, which have been incurred but not reported, the Board of Directors or the program's governing committee may impose a surcharge on all participating members.
- (iii) Premium surcharges imposed pursuant to (i) and/or (ii) above shall be in an amount which will assure adequate funds for the program to be actuarially sound; provided that the surcharge to any participating member shall not exceed an amount equal to three (3) times the member's annual premium for that year, unless otherwise determined by the Board of Directors or the program's governing committee.

Provided, however, that no premium surcharge in excess of three times the member's annual premium for that year may be assessed unless, ninety days prior to the Board of Directors taking action to determine the amount of the surcharge, PRISM notifies the governing body of each participating member in writing of its recommendations regarding its intent to assess a premium surcharge and the amount recommended to be assessed each member. PRISM shall, concurrently with the written notification, provide each participating member with a copy of the actuarial study upon which the recommended premium surcharge is based.

- (iv) A member which is no longer a participating member at the time the premium surcharge is assessed, but which was a participating member during the policy year(s) for which the premium surcharge was assessed, shall pay such premium surcharges as it would have otherwise been assessed in accordance with the provisions of (i), (ii), and (iii) above.
- (c) **Program Implementation and Effective Date.** Upon establishment of an insurance program by the Board of Directors, PRISM shall determine the manner of program implementation and shall give written notice to all members of such program, which shall include, but not be limited to: program participation levels, coverages and terms of coverage of the program, estimates of first year premium charges, effective date of the program (or estimated effective date) and such other program provisions as deemed appropriate.
 - (d) **Late Entry Into Program.** A member which does not elect to enter an insurance program upon its implementation, pursuant to (c) above, or a county or public entity which becomes a party to this Agreement following implementation of the program, may petition the Board of Directors for late entry into the program. Such request may be granted upon a majority vote of the Board of Directors members, plus a majority vote of those board members who represent participants in the program. Alternatively, a county or public entity may petition the Executive Committee for late entry into the program, or a program committee, when authorized by an MOU governing that specific program, may approve late entry into that program. Such request may be granted upon a majority vote of the Executive Committee or program committee.
 - (e) **Reentry Into A Program.** Except as otherwise provided in a Program Memorandum of Understanding, any county or public entity that is a member of an insurance program of PRISM who withdraws or is cancelled from an insurance program under Articles 21 and 22, may not reenter such insurance program for a period of three years from the effective date of withdrawal or cancellation.

**ARTICLE 15
ACCOUNTS AND RECORDS**

- (a) **Annual Budget.** PRISM shall annually adopt an operating budget pursuant to Article 8 of this Agreement, which shall include a separate budget for each insurance program under development or adopted and implemented by PRISM.
- (b) **Funds and Accounts.** The Auditor of PRISM shall establish and maintain such funds and accounts as may be required by good accounting practices and by the Board of Directors. Separate accounts shall be established and maintained for each insurance program under development or adopted and implemented by PRISM. Books and records of PRISM in the hands of the Auditor shall be open to inspection at all reasonable times by authorized representatives of members.
- PRISM shall adhere to the standard of strict accountability for funds set forth in Government Code Section 6505.
- (c) **Auditor's Report.** The Auditor, within one hundred and eighty (180) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each member.
- (d) **Annual Audit.** Pursuant to Government Code Section 6505, PRISM shall either make or contract with a certified public accountant to make an annual fiscal year audit of all accounts and records of PRISM, conforming in all respects with the requirements of that section. A report of the audit shall be filed as a public record with each of the members and also with the county auditor of the county where the home office of PRISM is located and shall be sent to any public agency or person in California that submits a written request to PRISM. The report shall be filed within six months of the end of the fiscal year or years under examination. Costs of the audit shall be considered a general expense of PRISM.

**ARTICLE 16
RESPONSIBILITIES FOR FUNDS AND PROPERTY**

- (a) The Treasurer shall have the custody of and disburse PRISM's funds. He or she may delegate disbursing authority to such persons as may be authorized by the Board of Directors to perform that function, subject to the requirements of (b) below.
- (b) Pursuant to Government Code Section 6505.6, the Treasurer shall:
- (1) Receive and acknowledge receipt for all funds of PRISM and place them in the treasury of the Treasurer to the credit of PRISM.
 - (2) Be responsible upon his or her official bond for the safekeeping and disbursements of all PRISM funds so held by him or her.
 - (3) Pay any sums due from PRISM, as approved for payment by the Board of Directors or by any body or person to whom the Board of Directors has delegated approval authority, making such payments from PRISM funds upon warrants drawn by the Auditor.
- (c) Pursuant to Government Code Section 6505.1, the Chief Executive Officer, the Treasurer, and such other persons as the Board of Directors may designate shall have charge of, handle, and have access to the property of PRISM.
- (d) PRISM shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in the form specified by the Board of Directors, covering all officers and staff of PRISM, and all officers and staff who are authorized to have charge of, handle, and have access to property of PRISM.

ARTICLE 17
RESPONSIBILITIES OF MEMBERS

Members shall have the following responsibilities under this Agreement.

- (a) The board of supervisors of each member county shall appoint a representative and one alternate representative to the Board of Directors, pursuant to Article 7.
- (b) Each member shall appoint an officer or employee of the member to be responsible for the risk management function for that member and to serve as a liaison between the member and PRISM for all matters relating to risk management.
- (c) Each member shall maintain an active risk control program, and shall consider and act upon all recommendations of PRISM concerning the reduction of unsafe practices.
- (d) Each member shall maintain its own claims and loss records in each category of liability covered by an insurance program of PRISM in which the member is a participant, and shall provide copies of such records to PRISM as directed by the Board of Directors or Executive Committee, or to such other committee as directed by the Board of Directors or Executive Committee.
- (e) Each member shall pay premiums and premium surcharges due to PRISM as required under Article 14. Penalties for late payment of such premiums and/or premium surcharges shall be as determined and assessed by the Board of Directors. After withdrawal, cancellation, or termination action under Articles 20, 21, or 23, each member shall pay promptly to PRISM any additional premiums due, as determined and assessed by the Board of Directors under Articles 22 or 23. Any costs incurred by PRISM associated with the collection of such premiums or other charges, shall be recoverable by PRISM.
- (f) Each member shall provide PRISM such other information or assistance as may be necessary for PRISM to develop and implement insurance programs under this Agreement.
- (g) Each member shall cooperate with and assist PRISM, and any insurer of PRISM, in all matters relating to this Agreement, and shall comply with all Bylaws, and other rules by the Board of Directors.
- (h) Each member shall have such other responsibilities as are provided elsewhere in this Agreement, and as are established by the Board of Directors in order to carry out the purposes of this Agreement.

ARTICLE 18
ADMINISTRATION OF CLAIMS

- (a) Subject to subparagraph (e), each member shall be responsible for the investigation, settlement or defense, and appeal of any claim made, suit brought, or proceeding instituted against the member arising out of a loss.
- (b) PRISM may develop standards for the administration of claims for each insurance program of PRISM so as to permit oversight of the administration of claims by the members.
- (c) Each participating member shall give PRISM timely written notice of claims in accordance with the provisions of the Bylaws and the applicable program Memorandum of Coverage.

- (d) A member shall not enter into any settlement involving liability of PRISM without the advance written consent of PRISM.
- (e) PRISM, at its own election and expense, shall have the right to participate with a member in the settlement, defense, or appeal of any claim, suit or proceeding, which, in the judgment of PRISM, may involve liability of PRISM.

ARTICLE 19 NEW MEMBERS

Any California public entity may become a party to this Agreement and participate in any insurance program in which it is not presently participating upon approval of the Board of Directors, by a majority vote of the members, or by majority vote of the Executive Committee.

ARTICLE 20 WITHDRAWAL

- (a) A member may withdraw as a party to this Agreement upon thirty (30) days advance written notice to PRISM if it has never become a participant in any insurance program pursuant to Article 14, or if it has previously withdrawn from all insurance programs in which it was a participant.
- (b) After becoming a participant in an insurance program, a member may withdraw from that program only at the end of a policy year for the program, and only if it gives PRISM at least sixty (60) days advance written notice of such action.

ARTICLE 21 CANCELLATION

- (a) Notwithstanding the provisions of Article 20, the Board of Directors may:
 - (1) Cancel any member from this Agreement and membership in PRISM, on a majority vote of the Board of Directors members. Such action shall have the effect of canceling the member's participation in all insurance programs of PRISM as of the date that all membership is canceled.
 - (2) Cancel any member's participation in an insurance program of PRISM, without canceling the member's membership in PRISM or participation in other programs, on a vote of two-thirds of the Board of Directors members present and voting who represent participants in the program.

The Board of Directors shall give sixty (60) days advance written notice of the effective date of any cancellation under the foregoing provisions. Upon such effective date, the member shall be treated the same as if it had voluntarily withdrawn from this Agreement, or from the insurance program, as the case may be.

- (b) Except as otherwise provided in a program Memorandum of Understanding, a member that does not enter one or more of the insurance programs developed and implemented by PRISM within the member's first year as a member of PRISM shall be considered to have withdrawn as a party to this Agreement at the end of such period, and its membership in PRISM shall be automatically canceled as of that time, without action of the Board of Directors.
- (c) A member which withdraws from all insurance programs of PRISM in which it was a participant and does not enter any program for a period of six (6) months thereafter shall be considered to have withdrawn as a party to the Agreement at the end of such period, and its membership in PRISM shall be automatically canceled as of that time, without action of the Board of Directors.

ARTICLE 22
EFFECT OF WITHDRAWAL OR CANCELLATION

- (a) If a member's participation in an insurance program of PRISM is canceled under Article 21, with or without cancellation of membership in PRISM, and such cancellation is effective before the end of the policy year for that program, PRISM shall promptly determine and return to that member the amount of any unearned premium payment from the member for the policy year, such amount to be computed on a pro-rata basis from the effective date of cancellation.
- (b) Except as provided in (a) above or as otherwise provided in a program Memorandum of Understanding, a member which withdraws or is canceled from this Agreement and membership in PRISM, or from any program of PRISM, shall not be entitled to the return of any premium or other payment to PRISM, or of any property contributed to PRISM. However, in the event of termination of this Agreement, such member may share in the distribution of assets of PRISM to the extent provided in Article 23 provided; however, that any withdrawn or canceled member, which has been assessed a premium surcharge pursuant to Article 14 (b) (3) (ii) shall be entitled to return of said member's unused surcharge, plus interest accrued thereon, at such time as the Board of Directors declares that a surplus exists in any insurance fund for which a premium surcharge was assessed.
- (c) Except as provided in (d) below, a member shall pay any premium charges, which the Board of Directors determines are due from the member for losses and costs incurred during the entire coverage year in which the member was a participant in such program regardless of the date of entry into such program. Such charges may include any deficiency in a premium previously paid by the member, as determined by audit under Article 14 (b) (2); any premium surcharge assessed to the member under Article 14 (b) (3); and any additional amount of premium, which the Board of Directors determines to be due from the member upon final disposition of all claims arising from losses under the program during the entire coverage year in which the member was a participant regardless of date of entry into such program. Any such premium charges shall be payable by the member in accordance with PRISM's invoice and payment policy.
- (d) Those members that have withdrawn or been canceled pursuant to Articles 20 and 21 from any program of PRISM during a coverage year shall pay any premium charges which the Board of Directors determines are due from the members for losses and costs which were incurred during the member's participation in any program.

ARTICLE 23
TERMINATION AND DISTRIBUTION OF ASSETS

- (a) A three-fourths vote of the total voting membership of PRISM, consisting of member counties, acting through their boards of supervisors, and the voting Board of Directors members from the member public entities, is required to terminate this Agreement; provided; however, that this Agreement and PRISM shall continue to exist after such election for the purpose of disposing of all claims, distributing all assets, and performing all other functions necessary to conclude the affairs of PRISM.
- (b) Upon termination of this Agreement, all assets of PRISM in each insurance program shall be distributed among those members which participated in that program in proportion to their cash contributions, including premiums paid and property contributed (at market value when contributed). The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending claim or other liability covered by the program.
- (c) Following termination of this Agreement, any member which was a participant in an insurance program of PRISM shall pay any additional amount of premium, determined by the Board of Directors in accordance with a loss allocation formula, which may be

necessary to enable final disposition of all claims arising from losses under that program during the entire coverage year in which the member was a participant regardless of the date of entry into such program.

ARTICLE 24
LIABILITY OF BOARD OF DIRECTORS, OFFICERS, COMMITTEE MEMBERS
AND LEGAL ADVISORS

The members of the Board of Directors, Officers, committee members and legal advisors to any Board of Directors or committees of PRISM shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of PRISM funds, or failure to invest.

No Director, Officer, committee member, or legal advisor to any Board of Directors or committee shall be responsible for any action taken or omitted by any other Director, Officer, committee member, or legal advisor to any committee. No Director, Officer, committee member or legal advisor to any committee shall be required to give a bond or other security to guarantee the faithful performance of their duties pursuant to this Agreement.

The funds of PRISM shall be used to defend, indemnify and hold harmless PRISM and any Director, Officer, committee member or legal advisor to any committee for their actions taken within the scope of the authority of PRISM. Nothing herein shall limit the right of PRISM to purchase insurance to provide such coverage, as is hereinabove set forth.

ARTICLE 25
BYLAWS

The Board of Directors may adopt Bylaws consistent with this Agreement, which shall provide for the administration and management of PRISM.

ARTICLE 26
NOTICES

PRISM shall address notices, billings and other communications to a member as directed by the member. Each member shall provide PRISM with the address to which communications are to be sent. Members shall address notices and other communications to PRISM to the Chief Executive Officer of PRISM, at the office address of PRISM as set forth in the Bylaws.

ARTICLE 27
AMENDMENT

A two-thirds vote of the total voting membership of PRISM, consisting of member counties, acting through their boards of supervisors, and the voting Board of Directors members from member public entities, is required to amend this Agreement. However, the Executive Committee is authorized to make non-substantive, clerical amendments to the Agreement and does not need to obtain approval from the Board of Directors to make such amendments.

ARTICLE 28
EFFECTIVE DATE OF AMENDMENTS

Any amendment of this Agreement shall become effective upon the date specified by the Board of Directors and upon approval of any Amended Agreement as required in Article 27. Approval of any amendment by the voting boards of supervisors and public entity board members must take place no later than 30 days from the effective date specified by the Board of Directors.

**ARTICLE 29
PROHIBITION AGAINST ASSIGNMENT**

No member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any member shall have any right, claim or title to any part, share, interest, fund, premium or asset of PRISM.

**ARTICLE 30
AGREEMENT COMPLETE**

This Agreement constitutes the full and complete Agreement of the parties.

**ARTICLE 31
DISPUTE RESOLUTION**

When a dispute arises between PRISM and a member, the following procedures are to be followed:

- (a) Request for Reconsideration. The member will make a written request to PRISM for the appropriate Committee to reconsider their position, citing the arguments in favor of the member and any applicable case law that applies. The member can also, request a personal presentation to that Committee, if it so desires.
- (b) Committee Appeal. The committee responsible for the program or having jurisdiction over the decision in question will review the matter and reconsider PRISM's position. This committee appeal process is an opportunity for both sides to discuss and substantiate their positions based upon legal arguments and the most complete information available. If the member requesting reconsideration is represented on the committee having jurisdiction, that committee member shall be deemed to have a conflict and shall be excluded from any vote.
- (c) Executive Committee Appeal. If the member is not satisfied with the outcome of the committee appeal, the matter will be brought to the Executive Committee for reconsideration upon request of the member. If the member requesting reconsideration is represented on the Executive Committee, that Executive Committee member shall be deemed to have a conflict and shall be excluded from any vote.
- (d) Arbitration. If the member is not satisfied with the outcome of the Executive Committee appeal, the next step in the appeal process is arbitration. The arbitration, whether binding or non-binding, is to be mutually agreed upon by the parties. The matter will be submitted to a mutually agreed arbitrator or panel of arbitrators for a determination. If Binding Arbitration is selected, then the decision of the arbitrator is final. Both sides agree to abide by the decision of the arbitrator. The cost of arbitration will be shared equally by the involved member and PRISM.
- (e) Litigation. If, after following the dispute resolution procedure paragraphs a-d, either party is not satisfied with the outcome of the non-binding arbitration process, either party may consider litigation as a possible remedy to the dispute.

**ARTICLE 32
FILING WITH SECRETARY OF STATE**

The Chief Executive Officer of PRISM shall file a notice of this Agreement with the office of California Secretary of State within 30 days of its effective date, as required by Government Code Section 6503.5 and within 70 days of its effective date as required by Government Code Section 53051.

IN WITNESS WHEREOF, the undersigned party hereto has executed this Agreement on the date indicated below.

DATE: _____

MEMBER: _____
(Print Name of Member)

BY: _____
(Authorized signature of Member)

Seal:

RESOLUTION NO. _____

WHEREAS, Government Code section 6500 et seq. (“Joint Exercise of Powers Act”) permits two or more public agencies by agreement to jointly exercise powers common to them; and

WHEREAS, public entities formed the **Public Risk Innovation, Solutions, and Management (PRISM)** pursuant to the Joint Exercise of Powers Act for the purpose of jointly funding and/or establishing excess and other insurance programs; and

WHEREAS, PRISM offers its insurance programs only to its members; and

WHEREAS, Sacramento Municipal Utility District (SMUD) desires to become a member of **PRISM** in order to participate in its employee benefit and other insurance programs; and

WHEREAS, PRISM requires each of its members to delegate to a person or position the authority to act on the member’s behalf in matters relating to **PRISM**; and

WHEREAS, it is in **SMUD’s** interest to place and cancel insurance policies through **PRISM** on an ongoing basis; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE SACRAMENTO MUNICIPAL UTILITY DISTRICT:**

Section 1. That this Board approves **Sacramento Municipal Utility District (SMUD)** becoming a member of **Public Risk Innovation, Solutions, and Management (PRISM)**.

Section 2. This Board further authorizes the Chief Executive Officer and General Manager (CEO/GM), or his delegate, to execute the **Joint Powers Agreement**

between **SMUD** and **PRISM (PRISM JPA)**, substantially in the form of **Attachment ___**, and all other agreements and documents necessary to enter, carry out, and retain its membership in **PRISM** and/or the **PRISM JPA**, except those actions that must be approved by the Board.

Section 3. The Board further authorizes the CEO/GM, on behalf of **SMUD**, to place and cancel employee benefits and other insurance policies or contracts with **PRISM** in an amount not to exceed \$3 million per policy or contract in support of SMUD's current and future employee benefits and other insurance needs, and to execute all agreements and documents necessary in connection therewith.