

Exhibit to Agenda Item #2

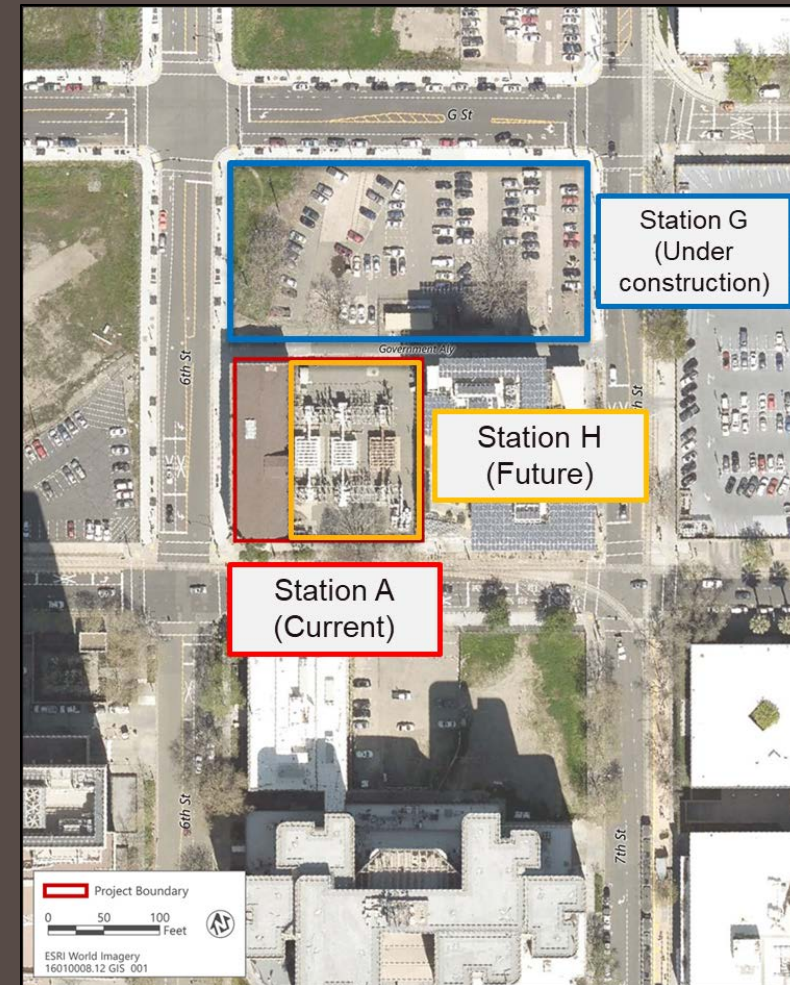
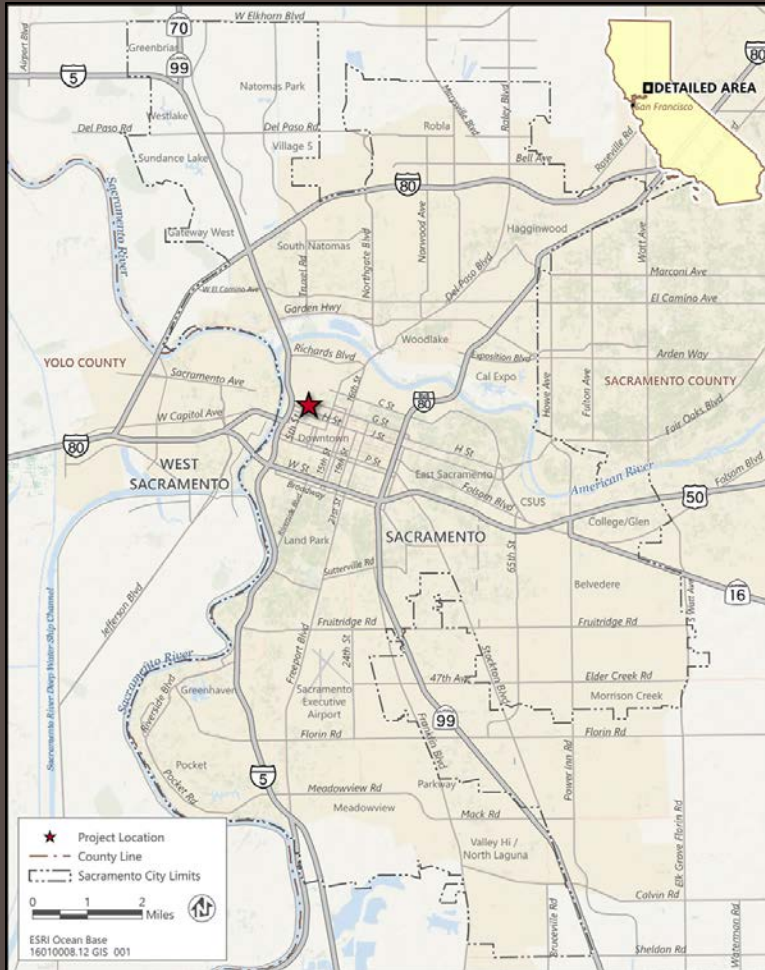
Certify the **California Environmental Quality Act (CEQA) Station H Substation Project (Project) Final Environmental Impact Report (FEIR)**; adopt the **Mitigation Monitoring and Reporting Plan for the Project**; confirm the **Statement of Overriding Considerations**; and approve the **Project**.

Board Energy Resources and Customer Services Committee and SMUD Board of Directors Meeting

June 16, 2021, scheduled to begin at 5:30 p.m.

Virtual Zoom Meeting

Station H Project Overview



Project Description

- Remove and dismantle Station A Substation Yard
 - Historic Station A Building will remain.
- New Station H substation will include:
 - Two 115/21kV transformers.
 - Two underground 115kV lines to connect Station H to Station G.
 - Canopy between new Station H and Historic Station A Building, if needed.

Public Review Process – Notice of Preparation (NOP) and Draft Environmental Impact Report (EIR)

- NOP 30-day public comment period (11/4/20 – 12/8/20)
- Draft EIR 45-day public comment period (3/17/21 – 4/30/21)
- Published at SMUD.org, Sacramento Bee
- Mailed to landowners within 500 feet of the project site; Native American Tribes; Local Agencies
- Available at CSC, ECOC
- Public Meetings
 - Scoping Meeting (11/16/20)
 - Draft EIR Public Meeting (4/8/21)

NOP and Draft EIR Commenters and Issues

- NOP
 - Native American Heritage Commission
 - City of Sacramento
 - Derrick Lim
- EIR
 - Department of Toxic Substance Control
 - Central Valley Regional Water Quality Control Board
 - City of Sacramento Fire Department
 - Sacramento Metropolitan Air Quality Management District

Alternatives Analysis

- Project alternatives analyzed
 - No project alternative
 - Site reorientation
 - Off-site alternative
- The preferred alternative is the project as described in the draft and final environmental impact report (EIR)

Mitigation Monitoring and Reporting Program

- Project will implement 10 mitigation measures that will reduce all but one potentially significant impact to a less-than-significant level.
- Mitigation Measures:
 - Air Quality
 - Biological Resources
 - Cultural Resources
 - Tribal Cultural Resources (Significant and Unavoidable)
 - Noise and Vibration
 - Transportation

Significant and Unavoidable Impacts

- Tribal Cultural Resources:
 - Site is considered sacred Tribal land.
 - Excavation activities may result in disturbance of Tribal cultural resources.

AB 52, Tribal Consultation

- Staff held 6 meetings with the Tribes.
- Tribes were provided both the cultural resource and Tribal cultural resource EIR chapters before publication and staff was able to incorporate all comments and recommendations.
- Tribes provided SMUD with the approved treatment plan developed for the Courthouse project located on the adjacent parcel across 6th St and H St.
- Subsequently, the Tribes did not comment on the draft EIR or attend the public meetings.

Tribal Cultural Resource Mitigation

- Design and implement a treatment plan
 - Developed in collaboration with the Tribes.
 - Tribal Monitors onsite during testing and project excavation work.
- All workers will receive Environmental and Cultural Respect training
 - To be developed with the Tribes and project archeologist.
- Artwork will be commissioned for the site to recognize local Tribes.
- SMUD will contribute financial and program development support to American River College's Native American Resource Center.

Standard for Statement of Overriding Considerations

- A project may be approved even though unmitigable impacts would be sustained. A “statement of overriding considerations” is required, which states that even though a project would result in one or more unavoidable adverse impacts, specific economic, social or other stated benefits are sufficient to warrant project approval. The statement explains the justification for proceeding with the project despite the significant adverse environmental impacts.
- A statement of overriding considerations provides specific reasons why the benefit of a proposed project outweighs the adverse effect. If the benefits of a project outweigh the unavoidable adverse environmental effects, those effects may be considered “acceptable” [CEQA Guidelines Section 15093 (a)].

SMUD Benefits to Justify Statement of Overriding Considerations

- The existing equipment at Station A is nearing the end of its useful life and needs to be replaced. The replacement of existing equipment allows SMUD to take advantage of newer technologies by installing and operating new, more efficient equipment. Generally, newer equipment is more efficient and provides a benefit to the environment. By replacing with newer equipment, SMUD will improve the efficiency of its operations.
- Limiting the need for extensive ground disturbance around the project area which may create further significant and unavoidable impacts.

SMUD Board Alternatives

- Certify the EIR for the Station H Substation project, adopt the Findings and Statement of Overriding Considerations, adopt the Mitigation Monitoring and Reporting Program, and approve the project.
- Return to staff for further study.
- Reject the proposal and CEQA analysis.

Requested SMUD Board Action

- Certify the California Environmental Quality Act (CEQA) Environmental Impact Report;
- Adopt the Findings and Statement of Overriding Considerations;
- Adopt the Mitigation Monitoring and Reporting Program; and
- Approve the Project.