

Board of Directors Meeting Agenda

Date: April 21, 2022

Time: 5:30 p.m.

Location: Virtual Meeting (online)

Powering forward. Together.



AGENDA

SACRAMENTO MUNICIPAL UTILITY DISTRICT BOARD OF DIRECTORS MEETING

Pursuant to Government Code section 54953(e) and the Emergency Board Meeting Procedures adopted by the SMUD Board of Directors, the regular Board meeting and other public meetings are currently conducted solely via virtual (online/teleconference) meeting to align with state, local, and federal guidelines for the containment of the coronavirus.

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

Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by e-mailing a request to speak to PublicComment@smud.org. Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be submitted while the meeting is in progress during the standard time for the agenda item or topic. **Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.**

Members of the public may provide written public comments on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via e-mail. Comments may be submitted to PublicComment@smud.org and will be placed into the record of the meeting.

Members of the public that are listening to or watching the live stream of a Board meeting and wish to submit written comments on a specific agenda item as it is being heard may submit their comments, limited to 250 words or less, to PublicComment@smud.org, noting the agenda item number in the subject line. The Board President may read comments for items on the agenda into the record, in his discretion, based upon such factors as the length of the agenda or the number of e-mail comments received. General public comment for items not on the agenda will not be read into the record but will be provided to the Board and placed into the record of the Board meeting if it is received within two hours after the meeting ends.

April 21, 2022 – 5:30 p.m.

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

Webinar/Meeting ID: 161 518 5184

Passcode: 903845

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

Call to Order.

a. Roll Call.

1. Approval of the Agenda.

2. Committee Chair Reports.

- a. Committee Chair report of April 12, 2022, Strategic Development Committee
- b. Committee Chair report of April 13, 2022, Policy Committee
- c. Committee Chair report of April 19, 2022, Finance and Audit Committee
- d. Committee Chair report of April 20, 2022, Energy Resources & Customer Services Committee

Item 6 was reviewed by the April 13, 2022, Policy Committee. Items 7 through 9 were reviewed by the April 19, 2022, Finance and Audit Committee. Item 10 was reviewed by the April 20, 2022, Energy Resources & Customer Services 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 18-12-15) for the period of March 16, 2022, through April 15, 2022.
- 4. Approval of the minutes of the regular meeting of March 17, 2022.
- 5. Approval of the minutes of the special meeting of April 13, 2022.
- 6. Make findings pursuant to Government Code section 54953(e) to continue holding meetings virtually during proclaimed state of emergency (recurring item, every 30 days). **Policy Committee 4/13. (Laura Lewis)**
- 7. Approve Contract Change No. 3 to Contract No. 4500114920 with **Brown & Caldwell** for Kramer Site Environmental Investigation, Remediation, Observation and Monitoring Services to increase the contract not-to-exceed amount by \$1.4 million from \$1.9 million to \$3.3 million. **Finance and Audit Committee 4/19. (Frankie McDermott)**
- 8. Authorize the Chief Executive Officer and General Manager to award a contract to **Doug Veerkamp General Engineering, Inc.** to provide Construction Services for the **Ice House Recreation Area Improvements Project** in the Crystal Basin region of the **Upper American River Project (UARP)** for a total contract not-to-exceed amount of \$10,503,605, for a contract term from April 22, 2022, to January 31, 2023. **Finance and Audit Committee 4/19. (Lora Anguay)**
- 9. Authorize the Chief Executive Officer and General Manager to finalize and execute two contracts with **Vestas American Wind Technology, Inc.** as follows:
 - a. Engineering, Procurement & Construction Services in connection with development of the 85.5 MW **Solano 4 Wind Project**, with substantial completion scheduled for May 2024, in an amount not to exceed \$215,458,407; and
 - b. Operations and Maintenance (O&M) Services in connection with the **Solano 2, Solano 3, and Solano 4** wind assets for a period of 15 years, with one optional five-year extension, in an amount not to exceed \$189,965,811.

Finance and Audit Committee 4/19. (Lora Anguay)

Discussion Calendar:

10. Adopt the **California Environmental Quality Act (CEQA)** final **Initial Study and Mitigated Negative Declaration (IS/MND)** for the **59th Street Demolition and Remediation Project (Project)**; adopt the **Mitigation Monitoring and Reporting Program** for the **Project**; and approve the **Project**. Energy Resources & Customer Services Committee 4/20. **(Frankie McDermott)**

Presenter: Patrick Durham

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Public Comment:

11. Items not on the agenda.

Board and CEO Reports:

12. Directors' Reports.
13. President's Report.
14. CEO's Report.
 - a. Board Video

Summary of Board Direction

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FOLLOWING ADJOURNMENT OF THE FOREGOING SMUD BOARD OF DIRECTORS MEETING, ANNUAL MEETINGS OF THE FOLLOWING JOINT POWERS AGENCIES WILL CONVENE:

**CENTRAL VALLEY FINANCING AUTHORITY
NORTHERN CALIFORNIA GAS AUTHORITY NUMBER 1
SACRAMENTO COGENERATION AUTHORITY
SACRAMENTO MUNICIPAL UTILITY DISTRICT FINANCING AUTHORITY
SACRAMENTO POWER AUTHORITY
NORTHERN CALIFORNIA ENERGY 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

The SMUD Board of Directors is currently operating under Emergency Board Meeting Procedures. In accordance with findings made by the Board pursuant to Government Code section 54953(e), these meetings will be held virtually (online).

April 19, 2022	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
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April 20, 2022	Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
May 10, 2022	Strategic Development Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
May 11, 2022	Policy Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
May 17, 2022	Finance and Audit Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.
May 18, 2022	Energy Resources & Customer Services Committee and Special SMUD Board of Directors Meeting	Virtual Meeting (online)	5:30 p.m.

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

The SMUD Board of Directors is currently operating under Emergency Board Meeting Procedures. In accordance with findings made by the Board pursuant to Government Code section 54953(e), these meetings will be held virtually (online).

May 19, 2022	Virtual Meeting (online)	5:30 p.m.
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Pursuant to Resolution No. 20-06-08 adopted on June 18, 2020, Emergency Board Meeting Procedures are in effect:

Members of the public may make either a general public comment or comment on a specific agenda item by submitting comments via email. Comments may be submitted to PublicComment@smud.org. Comments will be provided to the Board and placed into the record of the Board meeting if it is received within two hours after the meeting ends.

Members of the public that are listening or watching the live stream of a Board meeting and wish to comment on a specific agenda item as it is being heard, may submit their comments, limited to 250 words or less, to PublicComment@smud.org. The Board President may read the comments into the record, in his discretion, based upon such factors as the length of the agenda, the number of email comments received, and whether the Board is in danger of losing a quorum. Comments will be provided to the Board and placed into the record of the Board meeting if it is received within two hours after the meeting ends.

Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by emailing a request to speak to PublicComment@smud.org. Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be submitted while the meeting is in progress during the standard time for the agenda item or topic. Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.

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 virtual 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 (916) 732-7143, no later than 48 hours before this virtual meeting.

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 18-12-15) for the period of March 16, 2022, through April 15, 2022.

Sacramento, California

March 17, 2022

The Board of Directors of the Sacramento Municipal Utility District met in regular session via virtual meeting (online) at 9:01 a.m.

Roll Call:

Presiding: President Rose

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

Present also were Paul Lau, Chief Executive Officer and General Manager; Joe Schofield, Deputy General Counsel and Assistant Secretary, and members of SMUD's executive management; and SMUD employees and visitors.

Director Tamayo shared the environmental tip.

President Rose called for approval of the agenda. Director Kerth moved for approval of the agenda, Director Fishman seconded, and the agenda was unanimously approved.

Director Herber, Chair, presented the report on the Finance and Audit Committee meeting held on March 15, 2022.

Director Kerth, Vice Chair, presented the report on the Strategic Development Committee meeting held on March 8, 2022.

Director Tamayo, Chair, presented the report on the Policy Committee meeting held on March 9, 2022.

Director Fishman, Chair, presented the report on the Energy Resources & Customer Services Committee meeting held on March 16, 2022.

President Rose then called for public comment for items on the agenda, but none were forthcoming.

President Rose then addressed the consent calendar consisting of Items 3 through 12. Director Tamayo moved for approval of the consent calendar, Vice President Sanborn seconded, and Resolution Nos. 22-03-02 through 22-03-09 were unanimously approved.

RESOLUTION NO. 22-03-02

**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 18-12-15) for the period of February 16, 2022, through March 15, 2022.

Approved: March 17, 2022

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

RESOLUTION NO. 22-03-03

WHEREAS, SMUD is committed to preserving public access and participation in meetings of the Board of Directors and to the safety of meeting attendees; and

WHEREAS, all meetings of the Board of Directors are open and public, as required by the Ralph M. Brown Act (Gov't Code, §§ 5495054963) ("Brown Act"), so that any member of the public may attend, participate in, and watch SMUD's governing body conduct its business; and

WHEREAS, the newly enacted Government Code section 54953(e) authorizes a local agency's governing body, during a proclaimed state of emergency, to participate in its public meetings using remote teleconferencing without compliance with the requirements of Government Code section 54953(b)(3), under specified conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, another condition is that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body determines that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, on July 29, 2021, the Sacramento County Health Officer issued an order intended to help limit the spread of COVID-19, and among other things, required face coverings in indoor public spaces for vaccinated and unvaccinated people alike; and

WHEREAS, on September 28, 2021, the Sacramento County Health Officer issued a Teleconferencing Recommendation stating:

Public meetings bring together many individuals (both vaccinated and potentially unvaccinated), from multiple households, in a single indoor space for an extended time. For those at increased risk for infection, or subject to an isolation or quarantine

order, teleconferencing allows for full participation in public meetings, while protecting themselves and others from COVID-19.

Utilizing teleconferencing options for public meetings is an effective and recommended social distancing measure to facilitate participation in public affairs and encourage participants to protect themselves and others from COVID-19

; and

WHEREAS, on January 6, 2022, the Sacramento County Health Officer issued an order directing all public meetings in the county to occur virtually and encouraging workplaces to conduct meetings remotely as business needs permit; and

WHEREAS, on February 16, 2022, the Sacramento County Health Officer rescinded all remaining health orders for Sacramento County; and

WHEREAS, on February 25, 2022, Executive Order N-04-22 was issued leaving the California State of Emergency due to the threat of COVID-19 in effect for the foreseeable future and extending the authorization for state agency boards to meet virtually through March 31, 2022; and

WHEREAS, on February 28, 2022, the California Department of Public Health rescinded the mask requirement effective March 1, 2022, for all individuals regardless of vaccination status and instead issued a strong recommendation that all persons, regardless of vaccine status, continue indoor masking; and

WHEREAS, under current state of emergency conditions it would be impractical for SMUD to take steps necessary to prevent imminent risks to the health and safety of attendees, such as by holding public meetings outdoors, ensuring public meeting attendees are vaccinated, have appropriate face coverings, and wear them consistent with public health guidance; and

WHEREAS, all meetings, agendas, meeting dates, times, and manner in which the public may participate in the public meetings of the SMUD Board and offer public comment by telephone or internet-based service options including video conference are posted on the SMUD website and physically outside of SMUD's Headquarters Building; and

WHEREAS, by Resolution No. 21-10-01 adopted on October 12, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 21-10-03 adopted on October 21, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 21-11-05 adopted on November 18, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 21-12-04 adopted on December 9, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-03-01 adopted on March 8, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; **NOW, THEREFORE**,

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

Section 1. Risks to Health and Safety of Attendees. The Board has reconsidered the circumstances of the state of emergency and hereby finds that the state of emergency continues to directly impact the ability of the members to meet safely in person and holding SMUD Board meetings in person would present imminent risks to the health and safety of attendees.

Section 2. Remote Teleconference Meetings. SMUD staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with section 54953(e) and other applicable provisions of the Brown Act.

Section 3. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) April 17, 2022, or (ii) such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the SMUD Board may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

Approved: March 17, 2022

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

RESOLUTION NO. 22-03-04

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

This Board accepts the monitoring report for **Strategic Direction SD-6, Safety Leadership**, substantially in the form set forth in **Attachment A** hereto and made a part hereof.

Approved: March 17, 2022

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

SACRAMENTO MUNICIPAL UTILITY DISTRICT

OFFICE MEMORANDUM

TO: Board of Directors

DATE: 3/1/2022

FROM: Claire Rogers *CR 3/1/22*

**SUBJECT: Audit Report No. 28007422
Board Monitoring Report; SD-06: Safety Leadership**

Audit and Quality Services (AQS) received the SD-06 *Safety Leadership* second-half 2021 Biannual Board Monitoring Report and performed the following:

- A review of the information presented in the report to determine the possible existence of material misstatements;
- Interviews with report contributors and verification of the methodology used to prepare the monitoring report; and
- Validation of the reasonableness of a selection of the report's statements and assertions.

During the review, nothing came to AQS' attention that would suggest 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 3rd and 4th Quarters, 2021 Strategic Direction SD-6, Safety Leadership



1. Background

Strategic Direction SD-6 states that:

Creating a safe environment for employees and the public is a core value of SMUD.

Through best practice methods and continuous improvement, SMUD will be recognized as a leader in employee safety while also assuring the safety of the public related to SMUD operations and facilities. SMUD commits to a proactive approach, including the active involvement of SMUD leadership, employees, contractors, and the community, as well as comprehensive monitoring of organizational and public safety performance.

Therefore, SMUD will continue to improve safety results to:

Workplace Safety

- a) Reduce SMUD's injury severity incidents to 13 or less than by 2025, as measured by OSHA's Days Away Restricted Time (DART), a rate that demonstrates top quartile safety performance for similar size utilities using the Bureau of Labor Statistics (BLS) work-related safety data.
- b) Provide timely, quality health care for injured employees that aids their recovery while maintaining positive financial performance of the workers' compensation program.

Contractor Safety

- a) Support contractors to reduce and eliminate potential hazards for Serious Injuries and/or Fatality (SIF) when conducting high risk work.

Public Safety

- a) Track and report injuries to the public related to SMUD operations or facilities.
- b) Implement measures to protect the public from injuries related to SMUD operations or facilities.

2. Executive Summary

SMUD is in compliance with the SD-6 direction and is in alignment with SMUD's new 5-year strategy of working toward a zero-incident culture. In 2021, SMUD met its safety performance targets related to SD-6.

Workplace Safety

In 2021, SMUD recorded 45 OSHA Recordables injuries. This is a 22% decrease from 2020 (58 OSHA Recordables). Of the 45 injuries, 16 (5 Lost Time & 11 Modified Duty injuries) resulted in a 0.79 DART rate. Three of the DART cases in the last two quarters of the year were serious injuries. This represents a continued decrease in injuries which is trending downward to meet our 2025 Target (See Appendix A). As compared with the U.S. Bureau of Labor Statistics (BLS), SMUD was below the DART rate for Electrical Power Generation, Transmission and Distribution total DART rate of 0.9 by 0.11 points (https://www.bls.gov/web/osh/summ1_00.htm).

Quality care of injured employees is measured through the Workers' Compensation program's performance, which is assessed annually by an independent actuary. SMUD continues to have a reduction in claims over the past three years, a reduction in injury frequency rates, and a reduction in indemnity benefits as presented below.

	2018	2019	2020	2021
No. of Claims (Medical & Indemnity)	120	85	89	59
Incident rate per 100 employees	5.06	3.6	2.3	2.4
Rates per \$100 payroll	.98	.94	.94	.85

This year has continued to present challenges with COVID-19. COVID -19 hasn't only impacted the way SMUD is getting work done but has also resulted in new and emerging legislation surrounding paid leave and workers' compensation liabilities for COVID related injuries. Despite these challenges SMUD's program remains strong and continues to lead when compared with similarly situated organizations. No COVID-19 claims were made in 2021.

Contractor Safety

Safety has completed 182 contractor site safety field visits in 2021. These visits focus on high hazard work performed on SMUD projects focusing on construction safety hazards, such as excavation, working at elevations, and in confined spaces to verify safe working practices by our contractor to reduce the potential for serious injuries or property damage. Contractor reported incidents require an investigation to be completed and typically will warrant additional site safety visits to verify corrective measures have been put into place to reduce further occurrences.

Public and Community Safety

SMUD tracks public and community incidents in the Safety Incident Tracking System (SITS) involving car-pole, electrical contact, dig-in incidents, and injuries to the public that are related to SMUD's operations or facilities. For all of 2021, there have been 246 incidents where the public hit a SMUD pole, with 6 fatalities from such events. Seven electrical contacts were reported, and 85 dig-ins with no reported injuries.

3. Additional Supporting Information

The new SD-6 Safety Direction became effective February 2021. Our goal is to achieve the desired performance objectives by year-end 2025. This report summarizes the second half of 2021 safety performance.

Safety Leadership. The Safety Team continues with its integration efforts to support Executive Leadership's 5-year plan that emphasizes zero incidents and injuries and a focus on a zero-accident safety culture. SMUD's Chief Executive Officer (CEO) Paul Lau, re-emphasized the need to improve safety at SMUD with a greater focus of developing a "Safety for Life" culture, reducing the risk of serious injuries and fatalities, implementing a safety management system, and improving the analysis of injury and incident trends. These goals are outlined in SMUD's Safety Road Map, which was updated in early 2022.

Safety Management System (SMS). Six applications within the SMS were activated in 2021. They include the Inspection Tool, Safety Risk Assessment, and Compliance Calendar, Concern Reporting, Safety Observations, and Ergonomics modules. Job aids and training are complete, and all applications are now in use. During the early part of 2022, Safety anticipates that there will be sufficient data to activate and utilize, new safety dashboards and reports for leadership.

Safety Standards Development. During 2021, the Safety Team continued their efforts to improve the process to be used to route new or updated Health & Safety Standards to appropriate Directors for review. The recently obtained SMS "Doc Manager" application will be used for this process.

Supervisor-Employee Interactions. Safety staff updated and strengthened its supervisor-employee interaction quality program. Improvements included data governance definitions for Supervisor-Employee Interactions, Safety Contacts, Field and Office visits. Emphasis is placed on field visits for work with the highest hazard potential. For office personnel, an emphasis is placed on observing personnel pertaining to ergonomic risk, and slip/trip/fall hazards in walking areas. During 2021, a total of 17,070 Supervisor-Employee interactions were complete that resulted in a 166% percentage observed.

Near Miss Reporting. Leadership continues to support and encourage near miss reporting. In 2021, the Safety Incident Tracking System (SITS), provided a method to

track near miss reporting. The goal of this process is to identify opportunities for learning, prior to an incident occurring. During 2021, SMUD reported 55 near misses through SITS.

Contractor Safety. SMUD continues to use the ISN system to evaluate our contractor's safety record and safety program. The Contractor Safety program focuses on SMUD contractors in Power Generation, Environmental Services, Line, Substation, and Vegetation management contractors that perform high risk work, such as high voltage work, working at heights, vegetation management, confined spaces, excavations, etc.

SMUD currently has 73 contractors in the ISN system. During the past year we have expended our site safety evaluations performed on our high-risk contractors validate safety performance on the jobsites. Through 2021, 182 site safety evaluations were completed which exceeded this year's target of 125. We are also continuing to validate our pre-qualification criteria for contractor selection. SMUD's pre-qualification criteria focuses on Contractor Fatality History, OSHA Citation History, DART and Total Recordable Incident Rates (TRIR), Insurance Experience Ratio, Safety Culture Questions, and Safety Program Review.

In addition, SMUD Procurement and Safety have partnered together working on enhancing contract language as it relates to contractor safety requirements, Request for Proposal (RFP) templates for high-risk work and incorporating contractor safety as part of the onboarding process.

Safely Conducted Observations Reduce Common Hazards (SCORCH). For 2021, SCORCH team members conducted 4,062 Office and Professional interactions and 1,894 Field employee interactions. These interactions resulted in the removal of 8 barriers to employee safety. Based on observation data, exposure mitigation plans encouraged employee use of the 20/20/20 Rule and the scheduling of stretch breaks reminders. The 20-20-20 rule promotes (looking away from computer every 20 minutes, at an object 20 feet away, for 20 seconds) to reduce digital **Eye Strain** from strain. The use of Outlook calendars, smart watch reminders and visible post-it notes to trigger the behavior of stretching and taking micro-breaks routinely throughout day took place. Steps proved effective in minimizing the impact of static posture and promoted increased circulation to the **Hips, Legs and Feet** posture of employees.

Field employees found themselves attending virtual meetings and training sessions more frequently from the cab of their trucks or from remote locations. This led to an action plan focused on elevating employee awareness for **Head & Neck Posture** improvements. An action plan was established highlighting the benefits of a smart setup, vehicle ergonomics and posture awareness. Education was provided on the different hardware solutions to improve vehicle ergonomics and reduce awkward posture.

SMUD wide employee safety involvement opportunities were intentionally created by providing access to Safety Observations via (SMS) to all employees, not just actively participating employee workgroups. This level of engagement was further extended through its successful SCORCHing Summer Safety Days photo contest. Promoting the embracing of SMUD's Safety for Life culture, by asking employees to share photos actively inserting workplace behaviors *at home* and *at play* in a fun and family-oriented style. SCORCH leading indicator data and employee feedback, continues to provide safety representatives, executives, and supervisors with trusted insight on where to make resource and communication adjustments to best meet the safety and wellness needs of employees.

4. Challenges

COVID-19 and Vaccination Guidance. The challenge for Safety in 2021 is managing COVID-19 prevention efforts. SMUD Safety, People, Services, & Strategies, Emergency Planning, Facilities and Communications worked to develop new COVID-19 guidance and testing programs to protect employees, contractors, and the public. This year, SMUD was able to provide employees with COVID-19 vaccinations and antigen testing at our EC-OC clinic, as well as continued PCR testing at our contractor facility.

Data Management. Improving the quality, automation, and use of safety data is an ongoing challenge. SMUD Safety and IT selected the GenSuite Safety Management System (SMS) to automate the generation of data so that we can trend recorded incidents using data analytics. In addition, Safety expanded its dashboard reporting and real-time DART, OSHA Recordable, and Preventable Vehicle Accident (PVA) reporting.

Chronic Muscular Injuries. The SMUD Safety Team continues to work with business units to a reduce all incidents. This year, the following actions were taken to focus on a reduction to chronic muscular injuries: SMUD leadership and employees worked together to continue to build trust, SCORCH (behavior-based) Committees, Safety for Life efforts, crew and contractor safety field visits, and standards, programs, and training. In addition, SMUD continued the field ergonomic program with Power Generation and started a pilot Injury Prevention Outpost with Line Division, at the end of the 4th Quarter.

Wildfire Smoke. This year, wildfire smoke events challenged teams in coordinating work with higher-than-normal Air Quality Index (AQI) levels. Safety was able to use its purple air monitoring system and reporting, in cab vehicle air filters, PPE, scheduling, and training to inform and assist with scheduling work outside of poor air quality days.

5. Recommendation

SMUD is committed to becoming a recognized leader in safety. Both SMUD's leadership team and employees recognize that to achieve success we must integrate safety into all that we do. It is recommended that the Board accept the Monitoring Report for SD-6.

6. Appendices - Business Segment Safety Program Improvement Initiatives

Energy Delivery and Operations (EDO). Grid Assets leadership is continuing its approach, to encourage field staff input and participation on work group specific Joint Labor Management Safety Committees (JLMSCs), with representatives from Field, Supervision, Union, and Safety in attendance. The Quarterly Business Segment JLMSC continues with an “All field teams’ approach” at SMUD, allowing for the sharing of ideas and mitigation controls, of similar risks. Due to COVID-19 impacts, the meetings continue to be held via Teams. Response from participants continues to be positive, with the value of improved communication for safety among all teams being recognized and appreciated.

In 2021, SMUD had four Serious Injuries and/or Fatalities (SIFs) and one Potential Serious Injury and/or Fatality (PSIF). With these incidents, the Safety Team uses a root cause analysis to identify the causal factors for these types of incidents. This software has been synced with the SMS program, including the “Action Tracking System” (ATS) application, to record and track identified corrective actions, to reduce workplace hazards and the potential for repeat incidents.

Safety has continued working with the SMUD Power Academy, through the COVID pandemic, reviewing internal and external safety training programs, to ensure continued consistency and quality. An example of this collaboration and teamwork was the rollout of the updated Wildfire Smoke Training. The Safety Team augmented this program with the additional Purple Air sensors; hand-held “real-time” sensors, to be used by field crews (when internet is inaccessible); vehicle air cleaners; updated Air Quality Index (AQI) response guidelines; a fillable tailboard supplement; and Tabletop exercises to ensure appropriate response and understanding during these events.

The Safety Team has continued to provide required safety training to field employees, utilizing smaller maximum capacity limits, due to the COVID-19 social distancing requirements. This includes creating social distancing floor plans for training, providing signage, temperature stations, sanitization, PPE, and other support, as needed.

The Safety for Life events scheduled for 2021 were again postponed due to COVID-19. To ensure the Safety for Life culture continues to evolve during this time of social distancing and remote work, more emphasis will be placed on Safety for Life communications and testimonials. In 2021, Safety re-branded its publications and content to emphasize our Safety for Life culture at SMUD. Safety partnered with Red Cross to offer a virtual class in quarter four to SMUD employees. The class was a Compression Only CPR class. Safety will continue to partner with Red Cross in 2022 for additional classes which will be available to SMUD employees. In addition, Safety hosted two driving rodeos this year and conducted vehicle ergo inspections as needed. Safety for Life Sparky’s Crew for SMUD children consisting of birthday cards, safety

newsletters and postcards and the safety calendar with children's artwork, has continued throughout the pandemic.

During 2021, Wellness activities are designed and modified to support all employees, including those working remotely, through virtual wellness programs and activities. These activities focused on improving overall health, by providing on-line stretch breaks, workouts, eating healthy seminars and cooking demos to support physical health. Educational and awareness webinars help supported mental and emotional health, by providing resources and coping mechanisms to address stress and changes in lifestyle. The wellness program embraces a holistic approach that includes physical, financial, social, spiritual, and emotional wellness to support positive behavioral changes.

Health & Wellness realizes the environments in which we live, work and play, and impacts our well-being. This effort focuses on employees and their families empowering themselves to promote and model positive attitudes and behaviors through a lifelong commitment to wellness.

Zero Carbon Energy Solutions (ZCES). Since the beginning of the COVID-19 pandemic, Power Generation has prioritized employee safety while ensuring that critical work is completed. The Upper American River Project (UARP) increased work planning efforts to isolate crews and document work routes in case contact tracing was needed. Gas Pipeline began reporting directly to the field, to limit employee to employee contact. Meetings that include JLMSC updates, tailboards, safety meetings and safety training, including annual crew training, have continued with appropriate modifications to occur virtually, or when an in-person meeting is required social distancing and facial coverings are utilized.

Power Generation employees continued with their Savvy FIT Daily Dozen for soft tissue injury reduction. As a result, soft tissue injuries continue to trend down.

In addition to the COVID-19 Pandemic, Power Generation has also responded to extreme high heat and wildfire smoke events. Work was planned to ensure that employees able to reduce or eliminate potential exposures. Then, on August 17, Hydro Operations at Fresh Pond came under mandatory evacuation orders due to the fast-spreading Caldor Fire. Crews quickly moved vehicles and other equipment to White Rock Powerhouse and moved snow removal equipment from Riverton Yard to the shores of Union Valley Reservoir. Those who could not work from home reported daily to White Rock Powerhouse. Air scrubbers were deployed in areas where employees were working as AQI levels were frequently above 500. Evacuation orders were lifted on September 7. Prior to repopulating the Fresh Pond campus, Power Generation leadership had the campus cleaned of ash and debris, and deployed air scrubbers in all areas to eliminate the smoke.

Although Cal/OSHA's Voluntary Protection Program (VPP) program has been limited in its scope and participation due to the COVID-19 pandemic, both the UARP and Gas Pipeline Operations (GPO) continue to pursue best in class improvements. The UARP

achieved Cal/Reach status in 2019 and provided periodic updates to Cal/OSHA on their continuous improvement efforts.

In December 2021, Hydro completed a Cal/OSHA VPP audit. The auditor was impressed with the many safety improvements achieved over the last two years and Hydro is optimistic they will achieve VPP Star status. The Cal/VPP is designed to recognize employers and their employees who have implemented safety and health programs that effectively prevent and control occupational hazards. These programs go beyond minimal Cal/OSHA standards and provide the best feasible protection at the site.

Management commitment and employee participation are key elements in achieving Cal/VPP recognition. Cal/VPP establishments are considered leaders in the field of workplace safety and health. GPO continues to meet and prepare for the Cal/OSHA audit that is hopeful to be scheduled for early 2022 due to COVID-19 restrictions.

Power Generation also completed the purchase of Chili Bar Powerhouse from PG&E in June 2021. Safety inspections were completed by labor, management, engineering, and safety as soon as we took possession. There were 43 safety deficiencies noted, most of which have been resolved to bring the plant to SMUD's high standards.

Customer & Community Services (CCS). Safety worked with CCS and Security to safely re-open the CSC lobby and re-start selected programs by identifying and implementing appropriate COVID-19 controls to protect employees, contractors, and the public. Business processes were reviewed for potential risk and modified based on the COVID-19 guidance that Safety has provided to the enterprise. To improve the air quality inside the cashier area, an ionizing air purifier was added to remove contaminants and pollutants within the small office space.

Corporate Financial and Administrative Services (CFAS). Facilities and Safety have partnered on the re-entry efforts to ensure current and future workspaces, signage, physical distancing, use of barriers, and cleaning and disinfecting controls are in place and operating effectively. Security Operations has taken an active role in the re-opening of the lobby by coordinating with both Safety and CCS.

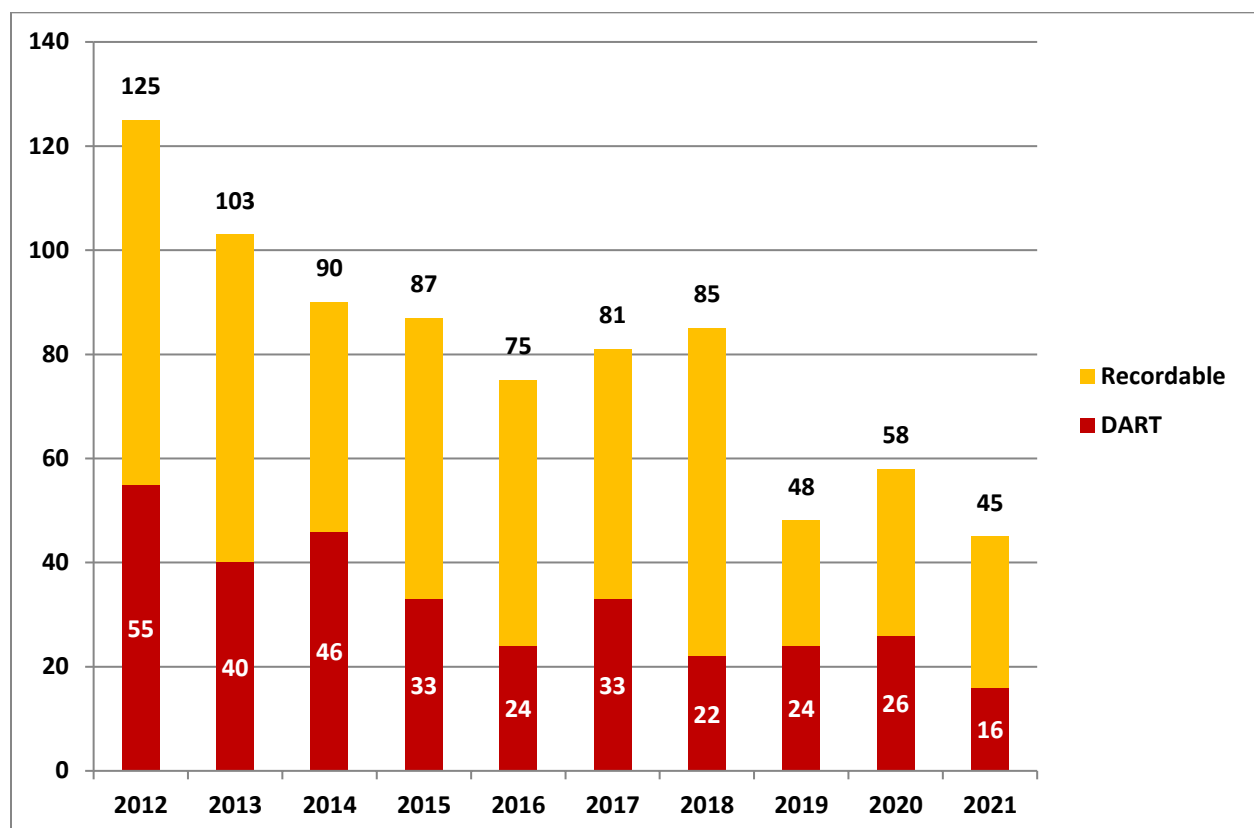
Warehouse has implemented controls to limit COVID-19 exposures in the tool room by having their customers call-in for requests while remaining outside to support social distancing efforts. During days with hazardous air quality conditions, the warehouse provides readily available N95 respirators and vehicle air cleaners. Fleet has mitigated COVID-19 exposures by performing vehicle wipe-downs and disinfecting each vehicle before servicing. To address concerns of hazardous air quality in vehicles, Fleet provided an updated list of SMUD vehicles without in-cabin air filters to help determine the need of requesting a portable vehicle air cleaner from the Warehouse. The Safety Team has encouraged all field forces to integrate their Monthly Vehicle Inspections into SMS through the Inspection Tool application for easy access and documentation. The Procurement, Warehouse, and Fleet (PWF) team continues to focus on the health and

safety of their team members, of their customers, and of their families in support of SMUD's North Star strategic plan—Be Safe. Always.

Driver Safety. In 2021 the Driver Safety program was significantly adjusted due to the impacts of COVID-19. In-vehicle, in-person instruction, and ride along activities, such as Supervisor Ride-a-longs, were halted to prevent possible employee COVID-19 exposure. The van pool program was also suspended for the same reason. Changes to the program included the development and implementation of a “virtual” defensive driving refresher training that highlighted Smith System driving techniques and SMUD vehicle inspection information. In addition, Driving Rodeos were modified and resumed with COVID-19 safety protocols in place. Educational information in the form of brief PowerPoint Presentations covering various vehicle related topics were also made available on the Health and Safety SharePoint site for supervisors, when conducting safety meetings.

Appendix A

DART Count and OSHA Recordable 2012-2021



RESOLUTION NO. 22-03-05

WHEREAS, by Resolution No. 19-09-06, adopted on September 19, 2019, this Board authorized the Chief Executive Officer and General Manager to award Contract No. 4600001313 to **Arrow Construction (Arrow)** and Contract No. 4600001312 to **Clark Bros., Inc. (Clark)** (collectively, the **Contracts**) for provision of civil construction services in downtown and other areas of Sacramento for a three-year period from approximately September 23, 2019, to September 22, 2022, for a total not-to-exceed aggregate amount of \$30,000,000; and

WHEREAS, Contract Change 1 to **Clark** Contract No. 4600001312 changed foreman labor rates on Bid Schedule Line Items 56 through 60; and

WHEREAS, Contract Change No. 2 to **Clark** Contract No. 4600001312 and Contract Change No. 1 to **Arrow** Contract No. 4600001313 increased the total aggregate contract not-to-exceed amount by \$1,500,000, a portion of the 10% allowed contingency amount, to provide funds to respond to unexpected requests through the term of the **Contracts**; and

WHEREAS, by Resolution No. 21-07-13, adopted on July 19, 2021, this Board increased the aggregate contract not-to-exceed amount for civil construction services in downtown and other areas of Sacramento by \$10,000,000, from \$31,500,000 to \$41,500,000, for the **Contracts**; and

WHEREAS, Contract Change No. 2 to **Arrow** Contract No. 4600001313 changed foreman labor rates on Bid Schedule Line Items 56, 57 and 60; and

WHEREAS, Contract Change No. 3 to **Arrow** Contract No. 4600001313 added a subcontractor; and

WHEREAS, Contract Change No. 3 to **Clark** Contract No. 4600001312 removed rate schedule items 29 through 49 and directed payment for these items through line items 28 and 50 and Contract Change No. 4 to **Arrow** Contract No. 4600001313 removed rate schedule items 29 through 49 and directed payment for these items through line items 28 and 50; and

WHEREAS, Contract Change No. 4 to **Clark** Contract No. 4600001312 and Contract Change No. 5 to **Arrow** Contract No. 4600001313 extended the term of the **Contracts** from September 22, 2022, to December 31, 2022; and

WHEREAS, staff has initiated a solicitation process for successor contracts, but the process will take several months to complete; and

WHEREAS, increasing the aggregate amount for the **Contracts** will ensure continuity of necessary work as the 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 increase the aggregate contract not-to-exceed amount for civil construction services in downtown and other areas of Sacramento by \$5 million, from \$41.5 million to \$46.5 million, for Contract No. 4600001313 with **Arrow Construction** and Contract No. 4600001312 with **Clark Bros., Inc.** (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: March 17, 2022

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

RESOLUTION NO. 22-03-06

WHEREAS, by Resolution No. 19-03-07, adopted on March 21, 2019, this Board authorized the Chief Executive Officer and General Manager to award Contract No. 4600001250 to **Arrow Construction (Arrow)**, Contract No. 4600001251 to **Sierra National Construction, Inc. (Sierra)**, and Contract No. 4600001252 to **Pacific Gold Marketing, Inc. (Pacific)** (collectively, the **Contracts**) for civil construction services for a contract term of three years from March 25, 2019, to March 25, 2022, for a not-to-exceed aggregate amount of \$15,000,000; and

WHEREAS, Contract Change 1 to the **Contracts** increased the total aggregate contract not-to-exceed amount by \$600,000, a portion of the 10% allowed contingency amount, to provide funds to respond to unexpected requests through the contract term; and

WHEREAS, by Resolution No. 21-07-12, adopted on July 19, 2021, this Board approved Contract Change 2 to the **Contracts** to increase the aggregate contract not-to-exceed amount by \$10,000,000, from \$15,600,000 to \$25,600,000, and extend the expiration date of the **Contracts** by three months from March 25, 2022, to June 25, 2022; and

WHEREAS, Contract Change No. 3 for **Arrow** Contract No. 4600001250 and Contract Change No. 3 for **Sierra** Contract No. 4600001251 increased foreman rate schedule items 52, 53, and 54; and

WHEREAS, Contract Change No. 4 for **Arrow** Contract No. 4600001250, Contract Change No. 4 for **Sierra** Contract No. 4600001251, and Contract Change No. 3 for **Pacific** Contract No. 4600001252 removed Rate Schedule Items 29 through 49 and directed payment for these items through 28 and 50; and

WHEREAS, Contract Change No. 5 for **Arrow** Contract No. 4600001250, Contract Change No. 5 for **Sierra** Contract No. 4600001251, and Contract Change No. 4 for **Pacific** Contract No. 4600001252 extended the term of the **Contracts** from June 25, 2022, to December 31, 2022; and

WHEREAS, staff has initiated a solicitation process for successor contracts, but the process will take several months to complete; and

WHEREAS, increasing the aggregate amount for the **Contracts** will ensure continuity of necessary work as the 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 increase the aggregate contract not-to-exceed amount for civil construction services by \$5 million, from \$25.6 million to \$30.6 million for Contract No. 4600001250 with **Arrow Construction**, Contract No. 4600001251 with **Sierra National Construction, Inc.**, and Contract No. 4600001252 with **Pacific Gold Marketing, Inc.** (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: March 17, 2022

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

RESOLUTION NO. 22-03-07

WHEREAS, by Resolution No. 21-12-05, adopted on December 9, 2021, this Board authorized the Chief Executive Officer and General Manager to award Contract No. CW2224258 to **Wilson Utility Construction Company (Wilson)** to provide comprehensive construction services for the **Station G Substation Project Phase II Electrical** for a period of December 13, 2021, to June 30, 2023, in an amount not to exceed \$16,021,365; and

WHEREAS, Contract Change 1 increased the contract by the allowed contingency amount of \$646,000 to allow **Wilson** to immediately accelerate a portion of the construction schedule; and

WHEREAS, Contract Change 2 increased the contract by the allowed contingency amount of \$354,000 to allow **Wilson** to continue to accelerate the construction schedule; and

WHEREAS, the construction schedule must be accelerated to complete the 12 kV load cutover from **Station A** to **Station G** by October 2022; and

WHEREAS, additional work inside the control building as well as outdoor substation work was originally planned to be completed by SMUD resources but needs to be reassigned to **Wilson** to support the accelerated schedule; and

WHEREAS, increasing the contract amount will allow SMUD to continue forward with the accelerated schedule and added scope which will result in SMUD's increased reliability for our customers; **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 execute Contract Change No. 3 to Contract No. CW2224258 with **Wilson Utility Construction Company (Wilson)** to increase the contract not-to-exceed amount by \$869,551, from \$17,021,365 to \$17,890,916, to accelerate the construction schedule and add scope for **Station G Substation Project Phase II Electrical**.

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 amount and applicable contingencies.

Approved: March 17, 2022

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

RESOLUTION NO. 22-03-08

WHEREAS, in October 2021, SMUD issued Request for Proposal No. Doc3176053345 (RFP) to solicit qualified professional engineering firms to provide thermal power plant engineering services; and

WHEREAS, seven (7) proposals received 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, **IEC Corporation, Black & Veatch Corporation, and Worley Group, Inc.** are hereby determined and declared to be the three highest evaluated responsive proposers to provide thermal power plant engineering services.

Section 2. The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to award contracts to **IEC Corporation, Black & Veatch Corporation, and Worley Group, Inc.** to provide thermal power plant engineering services for the 10-year period from April 1, 2022, to March 30, 2032, for a total aggregate contract not-to-exceed amount of \$10,000,000.

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: March 17, 2022

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

RESOLUTION NO. 22-03-09

WHEREAS, in 2021, Calpine (the parent company of **Geysers Power Company, LLC**) approached SMUD with a competitive offer under which SMUD will purchase the energy, capacity, and environmental attributes, including **Portfolio Content Category 1 Renewable Energy Credits (PCC1 RECs)** from its **Geysers Project** in Lake and Sonoma Counties; and

WHEREAS, the **Geysers Project** would provide SMUD around-the-clock, carbon-free baseload 100 MWs of geothermal energy (including **PCC1 RECs**) plus 100 MW of resource adequacy capacity, which SMUD can export from the **California Independent System Operator Corporation (CAISO)** as firm capacity; and

WHEREAS, SMUD's **2030 Zero Carbon Plan** specifically identifies the need for incorporation of a geothermal resource in SMUD's portfolio; and

WHEREAS, SMUD has the opportunity to enter into a 10-year **Power Purchase Agreement (PPA)** consisting of two confirmations with **Geysers Power Company, LLC**, for the purchase of 100 MW of renewable energy and capacity with a delivery term of January 1, 2023, through December 31, 2032; and

WHEREAS, Senate Bill 1368 (2006) prohibits publicly-owned electric utilities from entering into covered long-term procurements for electricity that do not meet the Greenhouse Gas **Emission Performance Standard (EPS)** adopted by the **California Energy Commission (CEC)**; and

WHEREAS, the governing body of a local publicly-owned electric utility must determine whether prospective covered procurements comply with the **EPS**; and

WHEREAS, **CEC** regulations provide that power plants that meet the criteria of an eligible renewable electricity generation facility, as defined by the **California Renewables Portfolio Standard (RPS)** legislation and **CEC** guidelines adopted thereunder, are "determined to be compliant" with the **EPS**; and

WHEREAS, the **Geysers Project** meets the criteria of a renewable electricity generation facility, as defined by the applicable legislation and guidelines, and is, therefore, determined to be compliant under the **CEC** regulations and to the extent alternate capacity is provided from the **Delta Energy Center** if the **Geysers Project** is unavailable, it is otherwise compliant with the **CEC** regulations; and

WHEREAS, the price and other terms proposed in the **PPA** are commercially reasonable and benefit SMUD's ratepayers; **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 (CEO/GM), or his delegate, is authorized to negotiate and execute the specific terms and conditions of a **Power Purchase Agreement (PPA)**, which consists of two confirmations, with **Geysers Power Company, LLC**, in substantial conformance with **Attachment B** and **Attachment C**.

Section 2. This Board approves the **California Energy Commission (CEC) Emission Performance Standard (EPS)** compliance filing and authorizes the CEO/GM, or his designee, to sign the compliance filing attestation, in substantial conformance with **Attachment D**.

Section 3. This Board authorizes the CEO/GM, or his designee, to make changes to the compliance filing that are required by the **CEC** or its staff.

Section 4. The CEO/GM, or his designee, is authorized to make future changes to the terms and conditions of the **PPA** that, in his prudent judgment: (a) further the primary purpose of the **PPA**; (b) are intended to provide

a net benefit to SMUD; and (c) do not exceed the authorized **PPA** amounts and applicable contingencies.

Approved: March 17, 2022

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



Geysers Power Company, LLC
10350 Socrates Mine Road
Middletown, CA 95416

**WESTERN SYSTEMS POWER POOL AGREEMENT
CONFIRMATION LETTER (ENERGY)
BETWEEN GEYSERS POWER COMPANY, LLC
AND
SACRAMENTO MUNICIPAL UTILITY DISTRICT**

"CONFIDENTIALITY NOTICE: The information is intended only for the use of the individual or entity named below. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmission in error, please immediately notify us by telephone to arrange for return of the documents."

To: Sacramento Municipal Utility District
Attention: [REDACTED]
Email: [REDACTED]
From: Geysers Power Company, LLC
Re: Deal Number: [REDACTED]

This Confirmation sets forth the terms and conditions of the transaction between Buyer and Seller, each individually a "Party" and together the "Parties," as of the Effective Date specified below, in which Seller agrees to sell and deliver, and Buyer agrees to purchase and receive, the Product, as such term is defined herein (the "Transaction"). This Transaction is subject to the terms and conditions of the Western Systems Power Pool Agreement (Effective Version: July 28, 2020) together with any and all exhibits, schedules or supplements thereto or incorporated therein by reference, as amended or modified, each in force and effect from time to time between the Parties (collectively, the "WSPP Agreement"), as amended and supplemented by this Confirmation. The definitions and provisions contained in the WSPP Agreement and in the tariffs and protocols of the California Independent System Operator ("CAISO"), as amended from time to time ("Tariff"), shall apply to this Confirmation Agreement and are incorporated by reference; provided that, to the extent that this Confirmation Agreement is inconsistent with any provision of the WSPP Agreement, this Confirmation shall govern the rights and obligations of the Parties hereunder. This Confirmation, together with the WSPP Agreement will constitute a single agreement between the Parties with respect to the Transaction. This Confirmation supersedes and replaces any prior oral or written confirmation or agreement, including broker confirmations, regarding this Transaction.

We confirm the following terms of our Transaction:

Buyer: Sacramento Municipal Utility District

Seller: Geysers Power Company, LLC

Effective Date: March __, 2022

Delivery Term: The "Delivery Term" shall be from January 1, 2023 to December 31, 2032, inclusive. Notwithstanding the foregoing, for the sole purpose of matching delivery of Renewable Energy Credits (RECs) with Delivered Energy from

the Project, such period will extend through the date that all RECs associated with such energy have been delivered from Seller to Buyer in accordance with this Confirmation.

Product: “Product” means Delivered Energy on an hourly basis which meets the criteria for Section 399.16(b)(1)(A) of the California Public Utilities Code, comprised of: (1) energy, (2) RECs generated by the Project and transferred by Seller through a WREGIS Certificate to Buyer under this Confirmation, and (3) all Green Attributes associated with the renewable energy delivered to Buyer as part of this Confirmation. To the extent not inconsistent with the foregoing, the Product is a Resource Contingent Bundled REC as such is described under Section R-2.3.4 of WSPP Service Schedule R. The Product does not include any other non-renewable and non-environmental attributes (e.g., ancillary services or resource adequacy capacity). Buyer may use the Product for any RPS, voluntary programs, or any other purpose.

Project: The term “Project” means one or more of the geothermal power plants owned or controlled by Seller and located in Lake and Sonoma Counties, California that will be used to provide the Contract Quantity. Due to the portfolio nature of the Geysers, Buyer acknowledges that Seller is making sales and deliveries from the Project to other purchasers. **Exhibit A** identifies each of the plants as of the Effective Date. Following the Effective Date, Seller may add or remove generating facilities to Exhibit A with prior written notice to Buyer, and any added plants will thereafter be considered part of the Project for all purposes under this Confirmation, provided that each facility added is a geothermal power plant certified by the CEC as an ERR and meets the RPS compliance requirements for PCC 1; provided, that, to the extent that addition of the generating facility(ies) was not approved by the CEC prior to delivery, delivery of Product from the added generating facility(ies) is conditioned on the CEC making a final decision pursuant to the California Code of Regulations, Title 20, Section 2910 that the covered procurement complies with EPS, and, in the event the CEC makes a final decision that the added generating facility(ies) does not comply with the EPS, the change to Exhibit A shall be void and all pending Product deliveries from such added generating facility(ies) shall be terminated no later than the effective date of the CEC’s decision; provided, further, that Buyer’s consent shall be required to remove generating facilities from Exhibit A for reasons other than repair, mothballing, decommissioning, Uncontrollable Forces, or the sale of such facility.

Delivery Point: “Delivery Point” means NP 15 EZ Gen Hub.

Meter Data: To provide evidence of Delivered Energy, in connection with submission of its monthly invoice and upon the request of Buyer, Seller shall provide to Buyer records of metered data, including CAISO metering and transaction data sufficient to document and verify the generation and delivery of the Delivered Energy by the Project (and upon Buyer’s reasonable request access to any records, including invoices or settlement data from the CAISO, necessary to verify the invoice).

Payment: For each MWh of Delivered Energy in accordance with this Confirmation, not to exceed the Contract Quantity, Buyer shall pay Seller the Contract Price, which has no escalation during the Delivery Term. "Contract Price" is as follows:

Contract Years	Price (\$/MWh)
2023-2032	

Contract Quantity:

Contract Years	Contract Quantity
2023-2032	100 MW delivered each hour on a 7x24 hour schedule

Renewable Energy Credit Certificates:

To provide evidence of Green Attributes, Seller shall transfer to Buyer the RECs to Buyer's WREGIS account(s) within fifteen (15) Business Days after WREGIS creates certificates from each month's meter data (approximately four months after flow under current WREGIS operating conditions). If Buyer's WREGIS account ID is not available as of the start of the Delivery Term, Buyer will provide it to Seller promptly once Buyer receives the WREGIS account ID. REC deliveries will be made by transfer of WREGIS Certificates to Buyer's WREGIS account pursuant to WREGIS Operating Rules. Seller shall, at its option, transfer the WREGIS Certificate using forward certificated transfer or any other transfer permitted under the WREGIS Operating Rules. With respect to REC deliveries, Product flow shall be considered the month in which the WREGIS Certificates are created by WREGIS under current operating conditions.

Scheduling and CAISO Revenues:

Seller shall provide (or cause to be provided) all Scheduling Coordinator services for the Project (and all units constituting the Project) and for delivery of Product to the Delivery Point. Buyer shall provide (or cause to be provided) all Scheduling Coordinator services for Product at and from the Delivery Point. The Parties will purchase and sell the Contract Quantity of Product through Inter-SC Trades scheduled on a Day-Ahead basis at the NP15 EZ Gen Hub in compliance with the CAISO Tariff. As between Buyer and Seller, Seller shall be responsible for all CAISO costs (including penalties and other charges) and shall be entitled to all CAISO revenues (including credits and payments) associated with the Project and the delivery of Product to the Delivery Point.

ADDITIONAL TERMS:

- a) Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an ERR; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a Change in Law occurs after execution of this Agreement that causes this representation and warranty to be

materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such Change in Law.

- b) Seller shall agree to reasonably assist Buyer with Buyer's California Renewables Portfolio Standard Program compliance filings as requested by Buyer. In connection with the foregoing, neither Seller nor its affiliates shall be required to (i) expend or incur any legal costs (either internal or external) in providing such assistance or (ii) prepare or defend a filing or otherwise advocate on behalf of Buyer.
- c) This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of Law.
- d) Seller shall, at its sole cost and expense, take all actions and execute all documents or instruments necessary to ensure that the RECs sold hereunder can be transferred to Buyer utilizing WREGIS. Seller shall comply with all laws, including, without limitation, the WREGIS Operating Rules effective as of the date of this Confirmation regarding the certification and transfer of RECs sold hereunder to Buyer. During the Delivery Term, Seller shall have in-place, or shall submit documentation to establish, an account with WREGIS. Seller shall transfer RECs to Buyer in accordance with WREGIS reporting protocols and WREGIS Operating Rules. Seller shall be responsible for all customary expenses associated with WREGIS Certificate issuance fees and utilizing WREGIS to transfer the RECs to Buyer, or its designee, except for any costs incurred by Buyer with respect to Buyer's registration with WREGIS and Buyer's WREGIS account.
- e) Seller hereby provides and conveys all Green Attributes associated with the electricity generation from the Project delivered to Buyer as part of the Product. Seller represents and warrants that Seller holds the rights to all such Green Attributes, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project.
- f) Because WREGIS Certificates will only be created for whole MWh amounts of output generated, any fractional MWh amounts will be carried forward during the Delivery Term until sufficient generation is accumulated for the creation of a WREGIS Certificate.
- g) Seller shall be responsible, at its sole expense, for validating, adjusting, and disputing data with WREGIS so that the data from the Project's meter(s) corresponds with the quantity of RECs conveyed hereunder. Upon request Seller shall provide Buyer with copies of all correspondence or documentation to or from WREGIS with respect to any such validation, adjustment, or dispute.
- h) Without limiting Seller's obligations, if a WREGIS Certificate deficit is caused solely by an error or omission of WREGIS or the California Independent System Operator, the Parties shall cooperate in good faith to cause WREGIS to correct its error or omission. If WREGIS changes the WREGIS Operating Rules after the Effective Date or applies the WREGIS Operating Rules in a manner inconsistent with this Confirmation, the Parties promptly shall modify this Agreement as reasonably required to preserve the intended economic benefits of this transaction for both Parties, and so cause and enable Seller to transfer to Buyer's WREGIS Account the RECs sold to Buyer hereunder.
- i) Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the RECs transferred to Buyer conform to the definition

and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a Change in Law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such Change in Law.

- j) Seller warrants that all necessary steps to allow the RECs transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract.
- k) Notwithstanding anything else in this Confirmation, and subject to Seller's obligations under this Confirmation, Buyer acknowledges and agrees that the sale of energy and RECs by Seller from the Project is nonexclusive.
- l) Confidentiality: Seller acknowledges that Buyer is a public agency subject to the requirements of the California Public Records Act (Cal. Gov. Code section 6250 et seq.).
- m) Change in Law: Seller shall make commercially reasonable efforts to comply with Changes in Law in the California RPS, provided that Seller shall not be required to incur costs greater than an aggregate amount of \$500,000 during the entire Delivery Term (the "Capped Amount"). The Parties acknowledge and agree that any such Change in Law shall not (i) entitle Buyer to a change in the Contract Price or Payment terms, (ii) result in any change to the Contract Quantity, (iii) give either Party the right to terminate this Agreement, or (iv) allow for the severability of any provisions of this Confirmation pursuant to the WSPP Agreement. This provision shall not apply to any Product that was Delivered and Accepted prior to any Change in Law if such Product complies with the California RPS.
- n) Seller Credit Requirements: Concurrently with the execution of this Confirmation, Seller and Buyer are entering into that certain Non-RA Export Capacity Transaction Confirmation of even date herewith (the "Non-RA Export Capacity Confirmation"). Seller shall post and maintain from time to time security in the amounts and for the periods set forth on **Schedule 1** to secure its obligations under both this Confirmation and the Non-RA Export Capacity Confirmation; provided that Buyer may only draw on such security pursuant to this Confirmation to recover damages payable under this Confirmation. If the Non-RA Export Capacity Confirmation is terminated for any reason, but this Confirmation continues in force, the amounts on **Schedule 1** will be reduced to reflect the proportionate reduction in Buyer's overall exposure as a result of the termination of the Non-RA Export Capacity Confirmation, and the Parties will amend and replace **Schedule 1** to reflect this reduction within thirty (30) days after termination of the Non-RA Export Capacity Confirmation. Such security may be provided in cash or by a letter of credit in the form attached hereto as **Exhibit D**. On the dates when the required amount of such security is reduced as set forth on **Schedule 1**, if the security has been provided in cash, Buyer shall return any cash security that it holds in excess of the required amount, and if the security has been provided in the form of a letter of credit, Buyer will cooperate with Seller in substituting a revised letter of credit in the appropriate amount for the one held by Buyer. Once Seller has achieved an Investment Grade Rating, Seller shall no longer be required to post security under this Confirmation or the Non-RA Export Capacity Confirmation. Buyer shall return any cash or letters of credit held as security hereunder to Seller within 30 days after written notice from Seller that it has achieved an Investment Grade Rating.

- o) Buyer Credit Requirements. As long as Buyer maintains an Investment Grade Rating, Buyer will not be required to provide security for the performance of its obligations hereunder and under the Non-RA Export Capacity Confirmation. If Buyer ceases to maintain an Investment Grade Rating, Buyer will promptly provide Seller notice thereof and will, within 30 days after ceasing to maintain an Investment Grade Rating, post and thereafter maintain from time to time security in the amounts and for the periods set forth on Schedule 1 (as amended, if applicable) to secure its obligations under both this Confirmation and the Non-RA Export Capacity Confirmation; provided that Seller may only draw on such security pursuant to this Confirmation to recover damages payable under this Confirmation. Such security may be provided in cash or by a letter of credit in the form attached hereto as Exhibit D (with such changes as are necessary for a letter of credit to be delivered by Buyer to Seller). On the dates when the required amount of such security is reduced as set forth on Schedule 1, if the security has been provided in cash, Seller shall return any cash security that it holds in excess of the required amount, and if the security has been provided in the form of a letter of credit, Seller will cooperate with Buyer in substituting a revised letter of credit in the appropriate amount for the one held by Seller. If Buyer subsequently regains an Investment Grade Rating, shall not be required to post security under this Confirmation. Seller shall return any cash or letters of credit held as security hereunder to Buyer within 30 days after written notice from Buyer that it has achieved an Investment Grade Rating.
- p) Buyer Limited Assignment Right: Notwithstanding anything to the contrary in Section 14 of the Master Agreement, the Buyer may from time to time assign the right to receive all or a portion of the Delivered Energy that would otherwise be delivered to Buyer hereunder. In connection with any such assignment, Buyer and Seller agree to negotiate in good faith the execution of the limited assignment agreement attached hereto as Exhibit B. For the avoidance of doubt, any limited assignment will not affect Seller or Buyer's rights or responsibilities under this Agreement except to the extent set forth in the limited assignment, and Buyer will remain responsible for all its obligations under this Agreement related to such assignment, including (i) the obligation to pay for such Delivered Energy to the extent the assignee thereof does not do so, and (ii) any damages associated with such assignee's failure to take any such Delivered Energy.
- q) Seller Permitted Assignment: Notwithstanding anything to the contrary in Section 14 of the Master Agreement, Seller may, without the prior written consent of Buyer, transfer or assign this Agreement to a Qualified Transferee. A Qualified Transferee is : (1) any affiliate of Seller, or (2) any person succeeding to all or substantially all of the assets of Seller (whether voluntary or by operation of law) that (i) for the three (3) preceding years, has owned or operated (or had access to the expertise required to operate through committed management agreements with its affiliates at least 100MWs of renewable energy generation facilities and (ii) either itself or its direct or indirect parent, has (x) a tangible net worth of at least \$50,000,000 or (y) a credit rating of "BB-" or higher by S&P or "Ba3" or higher by Moody's; provided that Seller shall provide at least fifteen (15) Business Days notice to Buyer prior to any such transfer or assignment, Seller shall not be relieved of its obligations under the Agreement prior to the effective date of the transfer or assignment, and Seller's assignee shall agree in writing to assume all of Seller's obligations and liabilities under this Agreement.
- r) Seller Collateral Assignment: Seller may also assign this Agreement as collateral for any financing or refinancing of the Facility. In connection with any financing or refinancing of the Facility by Seller, Buyer shall in good faith work with Seller and its lender to execute a consent to collateral assignment of this Agreement substantially in the form attached

hereto as **Exhibit C**.

- s) **Governing Law**. Notwithstanding anything in the WSPP Agreement, including Section 24 thereof, to the contrary, the Agreement shall be governed by the laws of the State of California (without reference to conflict of laws rules that would apply the law of another jurisdiction).
- t) **Counterparts**. This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to the counterparts were upon a single instrument. The Parties may rely on electronic, or scanned signatures as originals under this Confirmation. Delivery of an executed signature page of this Confirmation by electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature page.
- u) **Emission Performance Standard**. This Agreement is a “covered procurement” under the CEC’s EPS and Buyer shall make the required compliance filing with the CEC within 10 Business Days of the Effective Date. The Parties agree that this Agreement shall be void and all pending Product deliveries terminated no later than the effective date of any final decision by the CEC pursuant to the California Code of Regulations, Title 20, Section 2910 that the covered procurement fails to comply with EPS. The Parties acknowledge that the Project is “determined to be compliant” pursuant to 20 CCR §§ 2903(b)(1) or (2).
- v) **WSPP Agreement Amendments**. For this Transaction, the WSPP Agreement shall be amended as follows:
 - 1. Section 21.1 of the WSPP Agreement is amended by deleting “other direct” in the ninth line thereof. The Parties also agree that the waiver on the fifth line of that section does not apply to any damages or other remedies expressly provided for in this Confirmation.
 - 2. Section 21.3(a) of the WSPP Agreement is modified by (i) deleting the words “as follows” in the sixth line of the first sentence thereof and substituting the phrase “as set forth in the applicable Confirmation”, (ii) deleting subsections (1), (2) and (3) thereof, (iii) deleting the phrase “and the Contract Price of the Confirmation to which the non-performed transaction is identified, and the Contract Quantity of the non-performed transaction, shall be applied to the calculation of amounts due under Section 21.3(a)(1) through (3), as applicable” at the end of the first paragraph of subsection (5) thereof and substituting the phrase “and damages shall be calculated in accordance with the applicable Confirmations”, and (iv) deleting the balance of subsection (5) after the first two paragraphs thereof.
 - 3. Section 21.3(d) of the WSPP Agreement is modified by (i) changing “the full amount of damages” on the second and third lines to “the undisputed amount of damages”, and (ii) deleting the second sentence thereof.
 - 4. Section 22.1 of the WSPP Agreement is modified by deleting subsection (d) and replacing it with [intentionally omitted]” and by inserting the following new text at the end thereof:

“(f) the failure of the Defaulting Party to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party’s obligations to deliver or receive the

quantities of Product due under this Agreement, the exclusive remedy for which is provided in Section 21.3) if such failure is not remedied within thirty (30) days after written notice;

(g) the termination of the Non-RA Export Capacity Confirmation as the result of a default by the Defaulting Party thereunder;

(h) the failure of the Defaulting Party to pay its debts generally as they become due or the Defaulting Party's admission in a writing that is unable to generally pay its debts as they become due;

(i) the institution, by the Defaulting Party, of a general assignment for the benefit of its creditors; or

(j) the application for, consent to, or acquiescence to, by the Defaulting Party, the appointment of a receiver, custodian, trustee, liquidator, or similar official for all or a substantial portion of its assets."

5. Section 22.2(b) of the WSPP Agreement is amended by (i) inserting in Section 22.2, "and is continuing" after "Event of Default occurs" in the first line of the first paragraph thereof, (ii) deleting the second sentence in the first paragraph thereof, and (iii) deleting the second paragraph thereof in its entirety.

6. Section 22.3 of the WSPP Agreement is amended by:

(a) In Section 22.3(b), replacing the second sentence thereof with "The "Present Value Rate" shall mean an annual rate equal to the "prime rate" as published in the Wall Street Journal from to time plus 2%.";

(b) In Section 22.3(c), deleting the third sentence thereof and replacing it with the following: "If the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Agreement or a Confirmation, the Termination Payment for all such Terminated Transactions shall be zero, notwithstanding any provision in this Section or Agreement to the contrary."

(c) In Section 22.3(e), delete the entire provision (including subsections) and replace it with the following: "[Intentionally omitted]"

(d) In Section 22.3(f), delete the entire provision and replace it with the following:

"If the Defaulting Party disagrees with the calculation of the Termination Payment and the Parties cannot otherwise resolve their differences, and provided that Defaulting Party has paid the undisputed part of the Termination Payment to the Non-Defaulting Party as provided under Section 22.3(c), and that any amounts disputed by the Defaulting Party are disputed in good faith, then the Defaulting Party may submit the calculation issue to Dispute Resolution pursuant to Section 34."

7. Section 24 of the WSPP Agreement is amended by deleting "Utah" in the second line thereof and replacing it with "California".

8. Section 27 of the WSPP Agreement is deleted in its entirety and replaced with “[intentionally omitted]”.
9. The netting provisions of Section 28, NETTING, of the WSPP Agreement shall apply to the transaction covered by this Confirmation as if Buyer and Seller had both executed Exhibit A, NETTING, to the WSPP Agreement. Both Parties intend for the netting provisions of Exhibit A to the WSPP Agreement to be effective on the first day of the Delivery Term.
10. Section 30.1 of the WSPP Agreement is amended by inserting “or requested” after the word “required” in Section 30.1(4), by deleting “or” immediately before clause (7), and by adding the following at the end of the first sentence: “; or (8) to the Party’s and such Party’s affiliates’ lenders and potential lenders, investors or potential investors, counsel, accountants, advisors and agents who have a need to know such information and have agreed to keep such terms confidential”.
11. Section 31 of the WSPP Agreement is amended by deleting the second sentence thereof.
12. The second and third sentences of Section 32.5 of the WSPP Agreement are deleted.
13. Sections 34.1 and 34.2 of the WSPP Agreement are hereby deleted and replaced with the following:

“34.1 INFORMAL DISPUTE RESOLUTION

IN THE EVENT OF ANY DISPUTE ARISING UNDER THIS TRANSACTION, WITHIN TEN (10) DAYS FOLLOWING THE RECEIPT OF A WRITTEN NOTICE FROM EITHER PARTY IDENTIFYING SUCH DISPUTE, THE PARTIES SHALL MEET, NEGOTIATE AND ATTEMPT, IN GOOD FAITH, TO RESOLVE THE DISPUTE QUICKLY, INFORMALLY AND INEXPENSIVELY. IF THE PARTIES ARE UNABLE TO RESOLVE A DISPUTE ARISING HEREUNDER WITHIN THIRTY (30) DAYS AFTER RECEIPT OF SUCH NOTICE, THEN EITHER PARTY MAY SEEK ANY AND ALL REMEDIES AVAILABLE TO IT AT LAW OR IN EQUITY, SUBJECT TO THE LIMITATIONS SET FORTH IN THIS TRANSACTION.”

“34.2 EXCLUSIVE JURISDICTION

EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE OR FEDERAL COURTS LOCATED IN SAN FRANCISCO, CALIFORNIA, FOR ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY TRANSACTION, AND EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE TO SUCH JURISDICTION OR THE CONVENIENCE OF SUCH FORUM.”

14. The phrase “arbitration or” is hereby deleted from the first line of Section 34.4.
15. The following shall be inserted as a new Section 34.5:

“34.5 LIMITATION OF DAMAGES. FOR BREACH OF ANY PROVISION OF THIS CONFIRMATION AGREEMENT FOR WHICH AN EXPRESS REMEDY OR

MEASURE OF DAMAGES IS PROVIDED, THE EXPRESS REMEDY OR MEASURE OF DAMAGES PROVIDED IS THE SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT AND ALL OTHER REMEDIES FOR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT FOR A PARTICULAR BREACH, LIABILITY FOR THE BREACH IS LIMITED TO DIRECT DAMAGES ONLY, WHICH SHALL BE THE SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT FOR SUCH BREACH, AND ALL OTHER REMEDIES FOR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY IS LIABLE FOR ANY OTHER TYPE OF DAMAGE, INCLUDING INCIDENTAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES OF ANY NATURE (INCLUDING DAMAGES ASSOCIATED WITH LOST PROFITS, BUSINESS INTERRUPTION AND LOSS OF GOODWILL) ARISING AT ANY TIME, WHETHER IN TORT (INCLUDING THE SOLE OR CONTRIBUTORY NEGLIGENCE OF EITHER PARTY OR ANY RELATED PERSON), WARRANTY, STRICT LIABILITY, CONTRACT OR STATUTE, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE; PROVIDED, HOWEVER, THAT THE FOREGOING SHALL NOT LIMIT EITHER PARTY'S RIGHT TO RECOVER DAMAGES UNDER EXPRESS INDEMNITY PROVISIONS SET FORTH IN THE CONFIRMATION."

16. Section 37 of the WSPP Agreement is amended by inserting the following in the beginning of the section: "On the date of entering into this Confirmation,".
17. Section 41 "Witness" of the WSPP Agreement is renumbered Section 42 and the following new Section 41 entitled "Standard of Review" shall be inserted between Sections 40 and 42:

41. STANDARD OF REVIEW

The Parties agree as follows:

41.1 Absent the agreement of all Parties to the proposed change, the standard of review for changes to any section of this Agreement (including all Transactions and/or Confirmations) specifying the rate(s) or other material economic terms and conditions agreed to by the Parties herein, whether proposed by a Party, a non-party or FERC acting sua sponte, shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the "Mobile-Sierra" doctrine) and clarified in *Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish* 554 U.S. 527 (2008) and *NRG Power Marketing LLC v. Maine Pub. Util. Comm'n*, 558 U.S. 165 (2010).

41.2 The Parties, for themselves and their successors and assigns, (i) agree that this "public interest" standard shall apply to any proposed changes in any other documents, instruments or other agreements executed or entered into by the Parties in connection with this Agreement and (ii) hereby expressly and irrevocably waive any rights they can or may have to the application of any other standard of review, including the "just and reasonable" standard.

ADDITIONAL DEFINITIONS:

“Agreement” or “agreement” has the meaning specified in the introductory paragraph hereof.

“CAISO” means the California Independent System Operator Corporation or any successor entity performing similar functions.

“CAISO Grid” means the system of transmission lines and associated facilities of the Participating Transmission Owner that have been placed under the CAISO’s operational control.

“CAISO Tariff” means the CAISO Operating Agreement and Tariff, including the rules, protocols, procedures and standards attached thereto, as it may be amended, modified, supplemented or replaced (in whole or in part) from time to time.

“California Renewables Portfolio Standard” or “RPS” means the renewable energy program and policies established by California State Senate Bills 1038 and 1078 as amended, and codified in California Public Utilities Code Sections 399.11 through 399.31 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time and as defined by the CEC RPS Eligibility Guidebook, as those obligations may be amended or supplemented from time to time or otherwise consistent with applicable regulations promulgated by the CEC.

“CEC” means the California Energy Commission, or any successor entity.

“CPUC” means the California Public Utilities Commission, or any successor entity.

“Credit Rating” means, with respect to Seller, the rating on its senior secured long-term debt obligations by S&P or Moody’s. If Seller is rated by both S&P and Moody’s, and the Credit Ratings are not equivalent, the lower Credit Rating shall govern.

“Delivered Energy” means energy generated and metered from the Project with associated Green Attributes that is scheduled in accordance with this Confirmation.

“Eligible Renewable Energy Resource” or “ERR” means an Eligible Renewable Energy Resource as defined in California Public Utilities Code Section 399.12 or 399.16 and California Public Resources Code Section 25471, as either code may be amended or supplemented from time to time, as defined in the CEC Renewables Portfolio Standard Eligibility Guidebook, as may be amended or supplemented from time to time.

“Emission Performance Standard” or “EPS” means the requirements set-forth in California Code of Regulations (CCR) Title 20, Chapter 11, Article 1. Section 2900 et seq.

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to RECs, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (Sox), nitrogen oxides (Nox), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting

Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits.

"Green Tag Purchaser" means Buyer.

"Investment Grade Rating" means a rating of BBB- or better from S&P or a rating of Baa3 or better from Moody's.

"Locational Marginal Price" has the meaning specified in the CAISO Tariff.

"Moody's" means Moody's Investors Service, Inc.

"NERC" means the North American Electric Reliability Corporation.

"Non-RA Export Capacity Confirmation" has the meaning defined in Section (n) of the "Additional Terms" above.

"NP15 EZ Gen Hub" has the meaning specified in the CAISO Tariff.

"Participating Transmission Owner" means Pacific Gas and Electric Company in its capacity as the owner of certain transmission facilities placed under the operational control of the CAISO pursuant to the terms of the CAISO Tariff.

"Portfolio Content Category 1" or "PCC1" means renewable energy comprised of energy and Green Attributes meeting the criteria defined by the CEC Renewables Portfolio Standard Eligibility Guidebook, for Portfolio Content Category 1, as may be amended or supplemented from time to time, and meeting any applicable regulations promulgated by the CEC.

"Renewable Energy Credit" or "REC" has the meaning set forth in the California Public Utilities Code Section 399.12, as may be amended or supplemented from time to time or as further supplemented by applicable law, is evidenced by a WREGIS Certificate, and is equivalent to one (1) MWh of energy from the Project which shall be qualified and certified as an ERR.

"S&P" means Standard & Poor's Financial Services LLC.

"Scheduling Coordinator" means an entity certified by CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff for the purposes of undertaking the functions specified in "Responsibilities of a Scheduling Coordinator," of the CAISO Tariff, as amended from time to time.

“WREGIS” means Western Renewable Energy Generating Information System.

“WREGIS Certificate” has the same meaning as “Certificate” as defined by WREGIS in the WREGIS Operating Rules and are designated by applicable law as eligible for complying with the California Renewables Portfolio Standard.

“WREGIS Operating Rules” means the operating rules and requirements adopted by WREGIS, as amended from time to time.

[SIGNATURE PAGE FOLLOWS]

ACKNOWLEDGED AND AGREED TO AS OF THE EFFECTIVE DATE:

Geysers Power Company, LLC

Sacramento Municipal Utility District

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

SCHEDULE 1**Amount of Required Security**

Period	Amount
1/1/2023-12/31/2023	\$5,000,000
1/1/2024-12/31/2024	\$5,000,000
1/1/2025-12/31/2025	\$5,000,000
1/1/2026-12/31/2026	\$5,000,000
1/1/2027-12/31/2027	\$4,000,000
1/1/2028-12/31/2028	\$4,000,000
1/1/2029-12/31/2029	\$3,000,000
1/1/2030-12/31/2030	\$3,000,000
1/1/2031-12/31/2031	\$2,000,000
1/1/2032-3/31/2032	\$2,000,000
4/1/2032-6/30/2032	\$1,500,000
7/1/2032-9/30/2032	\$1,000,000
10/1/2032-12/31/2032	\$500,000

EXHIBIT A

Project Information

Name of Facility	CEC RPS ID
Aidlin Power Plant	60115A
Sonoma Power Plant	60010A
Geysers Units 5&6	60002A
Geysers Units 7&8	60003A
Geysers Unit 11	60025A
Geysers Unit 12	60004A
Geysers Unit 13	60005A
Geysers Unit 14	60026A
Geysers Unit 16	60006A
Geysers Unit 17	60007A
Geysers Unit 18	60008A
Calistoga Power Plant	60117A
Geysers Unit 20	60009A

EXHIBIT B

Form of Limited Assignment Agreement

This Limited Assignment Agreement (this “**Assignment Agreement**” or “**Agreement**”) is entered into as of [____], 20__ by and among [____], a [____] (“**PPA Seller**”), [Participant], a [____] (“**PPA Buyer**”), and [Assignee], and relates to that certain power purchase agreement (the “**PPA**”) between PPA Buyer and PPA Seller as described on Appendix 1. Unless the context otherwise specifies or requires, capitalized terms used but not defined in this Agreement have the meanings set forth in the PPA. To the extent there is any inconsistency between this Assignment Agreement and the PPA, the terms of the PPA shall prevail.

In consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and [Assignee] (the “**Parties**” hereto; each is a “**Party**”) agree as follows:

1. Limited Assignment and Delegation.

- (a) PPA Buyer hereby assigns, transfers and conveys to [Assignee] all right, title and interest in and to the rights of the Delivered Energy under the PPA described on Appendix 1 (the “**Assigned Products**”) during the Assignment Period (as defined in Appendix 1), as such rights may be limited or further described in the “Further Information” section on Appendix 1 (the “**Assigned Product Rights**”). All Assigned Products shall be delivered pursuant to the terms and conditions of this Agreement during the Assignment Period as provided in Appendix 1. All other rights of PPA Buyer under the PPA are expressly reserved for PPA Buyer.
- (b) PPA Buyer hereby delegates to [Assignee] the obligation to pay for all Assigned Products that are actually delivered to [Assignee] pursuant to the Assigned Product Rights during the Assignment Period (the “**Delivered Product Payment Obligation**” and together with the Assigned Product Rights, collectively the “**Assigned Rights and Obligations**”). All other obligations of PPA Buyer under the PPA are expressly retained by PPA Buyer. To the extent [Assignee] fails to pay for any Assigned Products by the due date for payment set forth in the PPA, PPA Buyer agrees that it will remain jointly and severally responsible as primary obligor (and not as surety) for such payment within five (5) Business Days (as defined in the PPA) of receiving notice of such non-payment from PPA Seller and that, regardless of receiving such notice, it will indemnify and hold PPA Seller harmless from and against all losses, costs, damages, liabilities and expenses of any kind as a result of or arising from assignment, transfer, conveyance and delegation described in clauses (a) and (b) of this paragraph 1, the failure of [Assignee] to make any such payment in respect of Delivered Product Payment Obligation as and when due under the PPA (and disregarding the effects of any stay or other suspension rights, including without limitation under sections 362 or 365 of the Bankruptcy Code or similar laws), whether due to bankruptcy, insolvency or any other cause.
- (c) [Assignee] hereby accepts and PPA Seller hereby consents and agrees to the assignment, transfer, conveyance and delegation described in clauses (a) and (b) above.
- (d) All scheduling of Assigned Products and other communications related to the PPA shall take place between PPA Buyer and PPA Seller pursuant to the terms of the PPA; provided

that (i) title to Assigned Product will pass from PPA Seller to [Assignee] upon delivery by PPA Seller of Assigned Product in accordance with the PPA; (ii) PPA Buyer is hereby authorized by [Assignee] to and shall act as [Assignee]'s agent with regard to scheduling Assigned Product; (iii) PPA Buyer will promptly provide copies to [Assignee] of any Notice (as defined in the PPA) that PPA Buyer sends or receives pursuant to the PPA; (iv) PPA Seller will provide copies to [Assignee] of all invoices and supporting data provided to PPA Buyer pursuant to the PPA (provided that failure to provide such copies shall not excuse the performance of any other Party hereunder so long as in the case of [Assignee], it has received notices of any payments required to be made by it hereunder); and (v) PPA Buyer and PPA Seller, as applicable, will provide copies to [Assignee] of any other information reasonably requested by [Assignee] relating to Assigned Products (provided that failure of PPA Seller to provide such information shall not excuse the performance of any other Party hereunder).

- (e) [PPA Seller acknowledges that (i) [Assignee] intends to immediately transfer title to any Assigned Products received from PPA Seller through one or more intermediaries such that all Assigned Products will be re-delivered to PPA Buyer, and (ii) [Assignee] owns or has the right to purchase receivables due from PPA Buyer for any such Assigned Products. To the extent [Assignee] owns or purchases any valid, lien-free receivables due from PPA Buyer for Assigned Product, [Assignee] may transfer good, marketable and lien-free title to such receivables to PPA Seller and, so long as PPA Buyer does not have any defense in respect of such receivables other than a defense that would have arisen under the PPA if this Assignment Agreement were not in effect apply the face amount thereof as a reduction to any Delivered Product Payment Obligation owed by [Assignee] to PPA Seller; provided that no such transfer or application shall reduce or limit PPA Buyer's obligations under Section 1(b) above].
- (f) In the event the PPA described on Appendix 1 or the Assigned Product Rights are rejected or terminated or both, in or as a result of any bankruptcy, insolvency, reorganization or similar proceeding affecting [Assignee], PPA Buyer shall, at the option of PPA Seller exercised within 30 days after such rejection or termination, enter into a new agreement with PPA Seller having identical terms as the PPA described on Appendix 1 (subject to any conforming changes necessitated by the substitution of parties and other changes as the parties may mutually agree), provided that the term under such new agreement shall be no longer than the remaining balance of the term specified in the PPA described on Appendix 1.

2. Assignment Early Termination.

- (a) The Assignment Period may be terminated early upon the occurrence of any of the following:
 - (1) delivery of a written notice of termination by either [Assignee] or PPA Buyer to each of the other Parties hereto;
 - (2) delivery of a written notice of termination by PPA Seller to each of [Assignee] and PPA Buyer following [Assignee]'s failure to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for one business day following receipt by [Assignee] of written notice thereof;

- (3) delivery of a written notice by PPA Seller to the other Parties hereto if any of the events described in Section [] [Bankruptcy] of the PPA occurs with respect to [Assignee]; or
 - (4) delivery of a written notice by [Assignee] if any of the events described in Section [] [Bankruptcy] of the PPA occurs with respect to PPA Seller.
- (b) The Assignment Period will end at the end of last delivery hour on the date specified in the termination notice provided pursuant to Section 2(a), which date shall not be earlier than the end of the last day of the calendar month in which such notice is delivered if termination is pursuant to clause (a)(1) or (a)(2) above. All Assigned Rights and Obligations shall revert from [Assignee] to PPA Buyer upon the early termination of the Assignment Period, provided that (i) [Assignee] shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to [Assignee] prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period in respect of the Parties not subject inter se to such restrictions, provided that [Assignee] will not have any further obligations (other than the obligation pursuant to the foregoing clause (i)) hereunder following an early termination of the Assignment Period regardless of any such legal restrictions on the effectiveness of such reversion.
- (c) The Assignment Period will automatically terminate upon the expiration or early termination of the PPA. All Assigned Rights and Obligations shall revert from [Assignee] to PPA Buyer upon the expiration of or early termination of the PPA, provided that (i) [Assignee] shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to [Assignee] prior to the end of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the expiration or early termination of the Assignment Period in respect of the Parties not subject inter se to such restrictions, provided that [Assignee] will not have any further obligations (other than the obligation pursuant to the foregoing clause (i)) hereunder following an early termination of the Assignment Period regardless of any such legal restrictions on the effectiveness of such reversion.

3. Representations and Warranties. The PPA Seller and the PPA Buyer represent and warrant to [Assignee], each with respect to itself only, that as of the date hereof (a) the PPA is in full force and effect; (b) to the best of its knowledge, no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the PPA or suspend performance thereunder; and (c) all of its obligations under the PPA required to be performed on or before the date hereof have been fulfilled.

4. Notices. Any notice, demand, or request required or authorized by this Assignment Agreement to be given by one Party to another Party shall be delivered in accordance with Section [] and the Cover Sheet of the PPA and to the addresses of each of PPA Seller and PPA Buyer specified in the PPA. PPA Buyer agrees to notify [Assignee] of any updates to such notice information, including any updates provided by PPA Seller to PPA Buyer. Notices to [Assignee] shall be provided to the following address, as such address may be updated by [Assignee] from time to time by notice to the other Parties:

[_____]

_____]

5. Miscellaneous. Sections ☐ (Buyer's Representations and Warranties), ☐ (Confidential Information), Sections ☐ (Severability), ☐ (Counterparts), ☐ (Amendments), ☐ (No Agency), ☐ (Mobile-Sierra), ☐ (Counterparts), ☐ (Facsimile or Electronic Delivery), Section ☐ (Binding Effect) and ☐ (No Recourse to Members of Buyer) of the PPA are incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein.

6. U.S. Resolution Stay Provisions.

(a) In the event that [Assignee] becomes subject to a proceeding under (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder or (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder (a "U.S. Special Resolution Regime") the transfer from [Assignee] of this Agreement, and any interest and obligation in or under, and any property securing, this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any interest and obligation in or under, and any property securing, this Agreement were governed by the laws of the United States or a state of the United States.

(b) In the event that [Assignee] or an Affiliate becomes subject to a proceeding under a U.S. Special Resolution Regime, any Default Rights (as defined in 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable ("Default Right")) under this Agreement that may be exercised against [Assignee] are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(1) Limitation on Exercise of Certain Default Rights Related to an Affiliate's Entry Into Insolvency Proceedings. Notwithstanding anything to the contrary in this Agreement, the Parties expressly acknowledge and agree that:

- i. PPA Buyer and PPA Seller shall not be permitted to exercise any Default Right with respect to this Agreement or any Affiliate Credit Enhancement that is related, directly or indirectly, to an Affiliate of [Assignee] becoming subject to receivership, insolvency, liquidation, resolution, or similar proceeding (an "Insolvency Proceeding"), except to the extent that the exercise of such Default Right would be permitted under the provisions of 12 C.F.R. 252.84, 12 C.F.R. 47.5 or 12 C.F.R. 382.4, as applicable; and
- ii. Nothing in this Agreement shall prohibit the transfer of any Affiliate Credit Enhancement, any interest or obligation in or under such Affiliate Credit Enhancement, or any property securing such Affiliate

Credit Enhancement, to a transferee upon or following an Affiliate of [Assignee] becoming subject to an Insolvency Proceeding, unless the transfer would result in PPA Buyer or PPA Seller being the beneficiary of such Affiliate Credit Enhancement in violation of any law applicable to PPA Buyer or PPA Seller, as applicable.

(2) U.S. Protocol. To the extent that PPA Buyer and PPA Seller each adhere to the ISDA 2018 U.S. Resolution Stay Protocol, as published by the International Swaps and Derivatives Association, Inc. as of July 31, 2018 (the "ISDA U.S. Protocol"), after the date of this Agreement, the terms of the ISDA U.S. Protocol will supersede and replace the terms of this Section 6.

(3) For purposes of this Section 6:

"Affiliate" is defined in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"Credit Enhancement" means any credit enhancement or credit support arrangement in support of the obligations of [Assignee] under or with respect to this Agreement, including any guarantee, collateral arrangement (including any pledge, charge, mortgage or other security interest in collateral or title transfer arrangement), trust or similar arrangement, letter of credit, transfer of margin or any similar arrangement.

7. Governing Law, Jurisdiction.

(a) Governing Law.

THIS ASSIGNMENT AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS ASSIGNMENT AGREEMENT WILL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ANY CONFLICTS OF LAWS PROVISIONS THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S LAWS; PROVIDED, HOWEVER, THAT THE AUTHORITY OF THE PPA BUYER TO ENTER INTO AND PERFORM ITS OBLIGATIONS UNDER THIS ASSIGNMENT AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

(b) [Reserved].¹

[Remainder of Page Intentionally Blank]

¹ NOTE: Parties to negotiate and agree upon jurisdiction provision, if any, at the time of execution.

EXHIBIT C

FORM OF
CONSENT AND AGREEMENT

among

[Insert Name of Contracting Party],
a [_____] (Contracting Party)

and

GEYSERS POWER COMPANY, LLC,
a Delaware limited liability company
(Assignor)

and

MUFG UNION BANK, N.A.,
(First Lien Collateral Agent)

Dated as of [____]

This CONSENT AND AGREEMENT, dated as of [____], 20[___] (this “Consent”), is entered into by and among ***[Insert name of Contracting Party]***, a [_____] [organized][formed] and existing under the laws of the State of [_____] (together with its permitted successors and assigns, “Contracting Party”), MUFG UNION BANK, N.A., in its capacity as collateral agent for the First Lien Secured Parties referred to below (together with its successors, designees and assigns in such capacity, “First Lien Collateral Agent”), and GEYSERS POWER COMPANY, LLC, a limited liability company formed and existing under the laws of the State of Delaware (together with its permitted successors and assigns, “Assignor”).

RECITALS

A. Assignor owns the following geothermal electric generating facilities located in the Geysers area of Northern California (Sonoma and Lake Counties) (collectively, the “Projects”):

- (a) The Aidlin project, an approximately 18 megawatt geothermal facility located in Sonoma County, CA.
- (b) The Sonoma project, an approximately 53 megawatt geothermal facility located in Sonoma County, CA.
- (c) The two-unit McCabe project, an approximately 84 megawatt geothermal facility located in Sonoma County, CA.
- (d) The two-unit Ridge Line project, an approximately 76 megawatt geothermal facility located in Sonoma County, CA.
- (e) The Eagle Rock project, an approximately 68 megawatt geothermal facility located in Sonoma County, CA.
- (f) The Cobb Creek project, an approximately 51 megawatt geothermal facility located in Sonoma County, CA.
- (g) The Big Geysers project, an approximately 61 megawatt geothermal facility located in Lake County, CA.
- (h) The Sulphur Springs project, an approximately 47 megawatt geothermal facility located in Sonoma County, CA.
- (i) The Quicksilver project, an approximately 53 megawatt geothermal facility located in Lake County, CA.
- (j) The Lake View project, an approximately 54 megawatt geothermal facility located in Sonoma County, CA.
- (k) The Socrates project, an approximately 50 megawatt geothermal facility located in Sonoma County, CA.
- (l) The two-unit Calistoga project, an approximately 69 megawatt geothermal facility located in Lake County, CA.
- (m) The Grant project, an approximately 41 megawatt geothermal facility located in Sonoma County, CA.

B. In order to finance the operation and maintenance of the Projects, Assignor has

entered into that certain Credit Agreement, dated as of June 9, 2020 (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), with GEYSERS INTERMEDIATE HOLDINGS LLC, a Delaware limited liability company, as Holdings (“Holdings”), GEYSERS COMPANY, LLC, a Delaware limited liability company (“Geysers Company”), WILD HORSE GEOTHERMAL, LLC, a Delaware limited liability company (“Wild Horse”) and CALISTOGA HOLDINGS, LLC, a Delaware limited liability company (“Calistoga,” and, together with Holdings, Geysers Company and Wild Horse, each a “Guarantor” and together, the “Guarantors”), MUFG BANK, LTD., as administrative agent for the Lenders, MUFG UNION BANK, N.A., as collateral agent for the First Lien Secured Parties, and the financial institutions from time to time parties thereto in such other capacities as described therein (collectively, the “Lenders”).

C. Contracting Party and Assignor have entered into that certain [*Insert description of relevant Major Project Contract(s)*], dated as of [_____] [____], [_____] (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the “Assigned Agreement”).

D. As security for Assignor’s obligations under the Credit Agreement and related financing documents with respect to the Loans and related obligations, Assignor has granted, pursuant to a security agreement executed by Assignor and First Lien Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Security Agreement”), to the First Lien Collateral Agent, for the benefit of the First Lien Secured Parties, a first priority lien on all of Assignor’s right, title and interest in the Projects and other rights and interests relating thereto, whenever arising, including, without limitation, the Assigned Agreement and all of Assignor’s right, title and interest under (but not any of Assignor’s obligations, liabilities or duties with respect thereto) the Assigned Agreement;

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the parties hereto hereby agree, notwithstanding anything in the Assigned Agreement to the contrary, as follows:

1. Assignment and Agreement.

1.1 Consent to Assignment. Contracting Party (a) is hereby notified and acknowledges that the Lenders have entered into the Credit Agreement and made the extensions of credit contemplated thereby in reliance upon the execution and delivery by Contracting Party of the Assigned Agreement and this Consent, (b) consents to the collateral assignment under the Security Agreement of all of Assignor’s right, title and interest in, to and under the Assigned Agreement, including, without limitation, all of Assignor’s rights to receive payment and all payments due and to become due to Assignor under or with respect to the Assigned Agreement (collectively, the “Assigned Interests”) and (c) acknowledges the right of First Lien Collateral Agent or a Subsequent Owner (as defined below), in the exercise of First Lien Collateral Agent’s rights and remedies pursuant to the Security Agreement, upon written notice to Contracting Party, to make all demands, give all notices, take all actions and exercise all rights of Assignor under the Assigned Agreement.

1.2 Subsequent Owner.

(a) Contracting Party agrees that, if First Lien Collateral Agent notifies Contracting Party in writing that, pursuant to the Security Agreement, it has assigned, foreclosed or sold the Assigned Interests or any portion thereof, then (i) First Lien Collateral Agent or its successor, assignee and/or designee, or any purchaser of the Assigned Interests (a “Subsequent Owner”) shall be substituted for Assignor under the Assigned Agreement and (ii) Contracting Party shall (1) recognize First Lien Collateral Agent or the Subsequent Owner, as the case may be, as its counterparty under the Assigned Agreement and (2) continue to perform its obligations under the Assigned Agreement in favor of First Lien Collateral Agent or the Subsequent Owner, as the case may be; provided that First Lien Collateral Agent or such Subsequent Owner, as the case may be, has assumed in writing all of Assignor’s rights and obligations (including, without limitation, the obligation to cure any then existing payment and performance defaults, but excluding any obligation to cure any then existing performance defaults which by their nature are incapable of being cured) under the Assigned Agreement.

(b) ***[Insert the following only if warranties are provided by Contracting Party under the relevant Assigned Agreement:*** Without limiting anything herein, the warranties provided by Contracting Party under the Assigned Agreement shall continue in full force and effect (until the expiration of the applicable warranty periods set forth in the Assigned Agreement) in the event that First Lien Collateral Agent or a Subsequent Owner succeeds to Assignor’s right, title and interest in the Assigned Agreement.]

1.3 Right to Cure. If Assignor defaults in the performance of any of its obligations under the Assigned Agreement, or upon the occurrence or non-occurrence of any event or condition under the Assigned Agreement which would immediately or with the passage of any applicable grace period or the giving of notice, or both, enable Contracting Party to terminate or suspend its performance under the Assigned Agreement (each hereinafter a “default”), Contracting Party shall not terminate or suspend its performance under the Assigned Agreement until it first gives written notice of such default to First Lien Collateral Agent and affords First Lien Collateral Agent a period of at least 15 days (or if such default is a nonmonetary default, such longer period (not to exceed 60 days) as may be required to cure such default) from receipt of such notice to cure such default; provided, however, that (a) if possession of the Projects is necessary to cure such nonmonetary default and First Lien Collateral Agent has commenced foreclosure proceedings, First Lien Collateral Agent shall be allowed a reasonable time to complete such proceedings, and (b) if First Lien Collateral Agent is prohibited from curing any such nonmonetary default by any process, stay or injunction issued by any governmental authority or pursuant to any bankruptcy or insolvency proceeding or other similar proceeding involving Assignor, then the time periods specified herein for curing a default shall be extended for the period of such prohibition.

1.4 No Amendments.

(a) [reserved]

(b) Except for the Buyer Limited Assignment Right under section (p) of the Additional Terms of the Assigned Agreement, Contracting Party agrees that it shall not, without the prior written consent of First Lien Collateral Agent, which consent shall not be unreasonably withheld, (i) sell, assign or otherwise transfer any of its rights under the Assigned Agreement, (ii) terminate, cancel or suspend its performance under the Assigned Agreement (unless it has given First Lien Collateral Agent notice and an opportunity to cure in accordance with Section 1.3 hereof), (iii) consent to any

assignment or other transfer by Assignor of its rights under the Assigned Agreement, or (iv) consent to any voluntary termination, cancellation or suspension of performance by Assignor under the Assigned Agreement.

1.5 Replacement Agreements. In the event the Assigned Agreement is rejected or terminated as a result of any bankruptcy, insolvency, reorganization or similar proceeding affecting Assignor, Contracting Party shall, at the option of First Lien Collateral Agent exercised within 30 days after such rejection or termination, enter into a new agreement with First Lien Collateral Agent having identical terms as the Assigned Agreement (subject to any conforming changes necessitated by the substitution of parties and other changes as the parties may mutually agree), provided that (i) the term under such new agreement shall be no longer than the remaining balance of the term specified in the Assigned Agreement, and (ii) upon execution of such new agreement, First Lien Collateral Agent cures any outstanding payment and performance defaults under the Assigned Agreement, excluding any performance defaults which by their nature are incapable of being cured.

1.6 Limitations on Liability. Unless and until First Lien Collateral Agent has assumed Assignor's rights and obligations under the Assigned Agreement or entered into a new agreement, Contracting Party acknowledges and agrees that First Lien Collateral Agent shall not have any liability or obligation to Contracting Party under the Assigned Agreement as a result of this Consent, the Security Agreement or otherwise, nor shall First Lien Collateral Agent be obligated or required to (a) perform any of Assignor's obligations under the Assigned Agreement, except during any period in which First Lien Collateral Agent has assumed Assignor's rights and obligations under the Assigned Agreement pursuant to Section 1.2[(a)] above, or (b) take any action to collect or enforce any claim for payment assigned under the Security Agreement. If First Lien Collateral Agent has assumed Assignor's rights and obligations under the Assigned Agreement pursuant to Section 1.2[(a)] above or has entered into a new agreement pursuant to Section 1.5 above, First Lien Collateral Agent shall be subject to liability and obligations to Contracting Party under the Assigned Agreement or such new agreement for the period that it is party to the Assigned Agreement or such new agreement.

1.7 Delivery of Notices. Contracting Party shall deliver to First Lien Collateral Agent, concurrently with the delivery thereof to Assignor, a copy of each notice, request or demand given by Contracting Party to Assignor pursuant to the Assigned Agreement relating to (a) a default by Assignor under the Assigned Agreement, and (b) any matter that would require the consent of First Lien Collateral Agent pursuant to Section 1.4 above.

1.8 Transfer. First Lien Collateral Agent shall have the right to assign all of its interest in the Assigned Agreement or a new agreement entered into pursuant to the terms of this Consent; provided that such transferee assumes in writing the obligations of Assignor or First Lien Collateral Agent, as applicable, under the Assigned Agreement or such new agreement. Upon such assignment, First Lien Collateral Agent shall be released from any further liability under the Assigned Agreement or such new agreement to the extent of the interest assigned.

1.9 Refinancing. [Contracting Party hereby acknowledges that Assignor may, from time to time during the term of the Assigned Agreement, refinance the indebtedness incurred under the Credit Agreement pursuant to another bank financing, an institutional financing, a capital markets financing, a lease financing or any other combination thereof or other form of financing. In connection with any such refinancing, Contracting Party hereby consents to any collateral assignment or other assignment of the Assigned Agreement in connection therewith and agrees that the terms and provisions of this Consent

shall apply with respect to such assignment and shall inure to the benefit of the parties providing such refinancing. In furtherance of the foregoing, Contracting Party agrees that (i)(1) references in this Consent to the “First Lien Collateral Agent” and the “First Lien Secured Parties” shall be deemed to be references to the applicable financing parties providing such refinancing, and (2) references in this Consent to the “Credit Agreement” and the “Security Agreement” shall be deemed to be references to the corresponding agreements entered into in connection with such refinancing, and (ii) if reasonably requested by Assignor, it shall enter into a new consent, substantially in the form of this Consent (including any material changes from this form of Consent as may be agreed by Contracting Party) in favor of the parties providing such refinancing.]²

[Insert the following only if Contracting Party is an Affiliate of Assignor under the relevant Assigned Agreement: 1.10 No Obligations. Notwithstanding anything to the contrary herein or in the Assigned Agreement, in the event that First Lien Collateral Agent or its designee(s) or assignee(s) succeed to the Assignor’s interest under the Assigned Agreement or foreclose on the equity interests of Assignor, First Lien Collateral Agent or its designee or assignee shall have the right, which must be exercised within thirty (30) days following such person succeeding to Assignor’s interest under the Assigned Agreement or such foreclosure on the Assignor’s equity interests, to terminate the Assigned Agreement upon written notice to Contracting Party and neither it nor any First Lien Secured Party nor the Assignor shall have any further obligations under the Assigned Agreement, including without limitation, obligations in respect of the payment of any fees, commissions or expenses, provided that such termination shall not affect obligations incurred prior to the date of termination for services provided.]

2. Payments under the Assigned Agreement.

2.1 Payments. Contracting Party shall pay all amounts (if any) payable by it under the Assigned Agreement in the manner and as and when required by the Assigned Agreement directly into the account specified on Exhibit A hereto, or to such other person, entity or account as shall be specified from time to time by First Lien Collateral Agent to Contracting Party in writing. Notwithstanding the foregoing, if any entity or person has become a Subsequent Owner pursuant to the terms hereof, then Contracting Party shall pay all such amounts directly to such Subsequent Owner or an account designated by Subsequent Owner.

2.2 No Offset, Etc. All payments required to be made by Contracting Party under the Assigned Agreement shall be made without any offset, recoupment, abatement, withholding, reduction or defense whatsoever, other than those allowed by the terms of the Assigned Agreement.

3. Representations and Warranties of Contracting Party. Contracting Party hereby represents and warrants, in favor of First Lien Collateral Agent, as of the date hereof, that:

(a) Contracting Party (i) is a [] duly **[formed]****[organized]** and validly existing under the laws of the State of [], (ii) is duly qualified, authorized to do business and in good standing in every jurisdiction necessary to perform its obligations under the Assigned Agreement and this Consent, and (iii) has all requisite power and authority to enter into and to perform its obligations hereunder and under the Assigned Agreement, and to carry out the terms hereof and thereof and the transactions

² This Section 1.9 to be included at Borrowers election and with such changes as Borrower may reasonably request.

contemplated hereby and thereby;

(b) the execution, delivery and performance by Contracting Party of this Consent and the Assigned Agreement have been duly authorized by all necessary corporate or other action on the part of Contracting Party and do not require any approvals, filings with, or consents of any entity or person which have not previously been obtained or made;

(c) each of this Consent and the Assigned Agreement is in full force and effect, has been duly executed and delivered on behalf of Contracting Party by the appropriate officers of Contracting Party, and constitutes the legal, valid and binding obligation of Contracting Party, enforceable against Contracting Party in accordance with its terms, except as the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally, and (ii) general equitable principles (whether considered in a proceeding in equity or at law);

(d) there is no litigation, action, suit, proceeding or investigation pending or (to the best of Contracting Party's knowledge) threatened against Contracting Party before or by any court, administrative agency, arbitrator or governmental authority, body or agency which, if adversely determined, individually or in the aggregate, (i) could adversely affect the performance by Contracting Party of its obligations hereunder or under the Assigned Agreement, or which could modify or otherwise adversely affect any required approvals, filings or consents which have previously been obtained or made, (ii) could have a material adverse effect on the condition (financial or otherwise), business or operations of Contracting Party, or (iii) questions the validity, binding effect or enforceability hereof or of the Assigned Agreement, any action taken or to be taken pursuant hereto or thereto or any of the transactions contemplated hereby or thereby;

(e) the execution, delivery and performance by Contracting Party of this Consent and the Assigned Agreement, and the consummation of the transactions contemplated hereby and thereby, will not result in any violation of, breach of or default under any term of its formation or governance documents, or of any contract or agreement to which it is a party or by which it or its property is bound, or of any license, permit, franchise, judgment, injunction, order, law, rule or regulation applicable to it, other than any such violation, breach or default which could not reasonably be expected to have a material adverse effect on Contracting Party's ability to perform its obligations under the Assigned Agreement;

(f) neither Contracting Party nor, to the best of Contracting Party's knowledge, any other party to the Assigned Agreement, is in default of any of its obligations thereunder;

(g) to the best of Contracting Party's knowledge, (i) no event of force majeure exists under, and as defined in, the Assigned Agreement, and (ii) no event or condition exists which would either immediately or with the passage of any applicable grace period or giving of notice, or both, enable either Contracting Party or Assignor to terminate or suspend its obligations under the Assigned Agreement; and

(h) the Assigned Agreement, this Consent, the Limited Assignment (a form of which is attached as Exhibit B to the Assigned Agreement⁰, if and when signed, and that certain [WSPP Export Non-Resource Adequacy Confirmation] dated [____] between Assignor and Contracting Party are the only agreements between Assignor and Contracting Party with respect to the Project, and all of the conditions precedent to effectiveness under the Assigned Agreement have been satisfied or waived.

Each of the representations and warranties set forth in this Section 3 shall survive the execution and delivery of this Consent and the Assigned Agreement and the consummation

of the transactions contemplated hereby and thereby.

4. Miscellaneous.

4.1 Notices. Any communications between the parties hereto or notices provided herein to be given may be given to the following addresses:

If to Assignor:

[Insert Address of GEYSERS POWER COMPANY, LLC]

Facsimile:

Telephone:

Attention:

If to Contracting Party:

Facsimile: _____

Telephone: _____

Attention: _____

If to First Lien Collateral Agent:

Facsimile: _____

Telephone: _____

Attention: _____

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service (including Federal Express, UPS, DHL and other similar overnight delivery services), (c) in the event overnight delivery services are not readily available, if mailed by first class United States Mail, postage prepaid, registered or certified with return receipt requested, (d) if sent by prepaid telegram or by facsimile or (e) if sent by other electronic means (including electronic mail) confirmed by facsimile or telephone. Any party may change its address for notice hereunder by giving of 30 days' notice to the other parties in the manner set forth hereinabove.

4.2 Governing Law; Submission to Jurisdiction.

(a) THIS CONSENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH, AND BE GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW EXCEPT SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

(b) Any legal action or proceeding with respect to this Consent and any action for enforcement of any judgment in respect thereof may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York, and, by execution and delivery of this Consent, Contracting Party hereby accepts for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts and appellate courts from any appeal

thereof. Contracting Party irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to Contracting Party at its notice address provided pursuant to Section 4.1 hereof. Contracting Party hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Consent brought in the courts referred to above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing herein shall affect the right of First Lien Collateral Agent to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against Contracting Party in any other jurisdiction.

4.3 Counterparts. This Consent may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. Delivery of an executed counterpart to this Consent by facsimile or “pdf” transmission shall be as effective as delivery of a manually signed original.

4.4 Headings Descriptive. The headings of the several sections and subsections of this Consent are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Consent.

4.5 Severability. In case any provision in or obligation under this Consent shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

4.6 Amendment, Waiver. Neither this Consent nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by Contracting Party and First Lien Collateral Agent.

4.7 Successors and Assigns. This Consent shall bind and benefit Contracting Party, First Lien Collateral Agent, and their respective successors and assigns.

4.8 Third Party Beneficiaries. Contracting Party and First Lien Collateral Agent hereby acknowledge and agree that the First Lien Secured Parties are intended third party beneficiaries of this Consent.

4.9 [intentionally omitted]

4.10 Entire Agreement. This Consent and any agreement, document or instrument attached hereto or referred to herein integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral negotiations and prior writings between the parties hereto in respect of the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Consent and any such agreement, document or instrument (including, without limitation, the Assigned Agreement), the terms, conditions and provisions of this Consent shall prevail.

4.11 Termination of Consent. This Consent shall terminate upon the earliest to occur of (a) the termination or cancellation of the Assigned Agreement in accordance with its terms and in accordance with the terms of this Consent (it being understood that this Consent shall not terminate but shall remain in effect in the circumstances described in Section 1.5 above in respect of any new agreement entered into in accordance with such Section), (b) the expiration of the term of the Assigned Agreement and (c) the termination

of the Security Agreement in accordance with its terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto, by their officers duly authorized, intending to be legally bound, have caused this Consent and Agreement to be duly executed and delivered as of the date first above written.

GEYSERS POWER COMPANY, LLC,
a Delaware limited liability company,
as Assignor

By: _____
Name:
Title:

[Insert Name of Contracting Party],
a _____,
as Contracting Party

By: _____
Name:
Title:

Accepted and Agreed to:

MUFG UNION BANK, N.A.,
solely in its capacity as First Lien Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT A to
Consent and Agreement

PAYMENT INSTRUCTIONS

[INSERT PAYMENT INSTRUCTIONS FOR APPROPRIATE ACCOUNT(S)]

EXHIBIT D

FORM OF LETTER OF CREDIT

IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____

MUFG UNION BANK, N.A.

TRADE SERVICE OPERATIONS

1980 SATURN STREET, V02-906

MONTEREY PARK, CALIFORNIA 91755-7417

ATTENTION: STANDBY LETTER OF CREDIT SECTION

DATE: _____, 20__

BENEFICIARY	APPLICANT
Sacramento Municipal Utility District	Calpine Corporation on behalf of Geysers Power Company, LLC.

LADIES AND GENTLEMEN:

AT THE REQUEST AND FOR THE ACCOUNT OF CALPINE CORPORATION (THE 'APPLICANT'), 717 TEXAS AVENUE, SUITE 1000, HOUSTON, TEXAS 77002, AND ON BEHALF OF GEYSERS POWER COMPANY, LLC (THE "ACCOUNT PARTY") WE, MUFG UNION BANK, N.A (THE "ISSUER"), HEREBY ESTABLISH, EFFECTIVE IMMEDIATELY, IN YOUR FAVOR SACRAMENTO MUNICIPAL UTILITY DISTRICT THE "BENEFICIARY") OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____ IN THE AGGREGATE AMOUNT OF _____ NO/100 UNITED STATES DOLLARS (U.S. \$_____.00) (AS SUCH AMOUNT MAY BE REDUCED FROM TIME TO TIME BY PARTIAL DRAWS HEREUNDER, THE "STATED AMOUNT").

WE ARE INFORMED BY THE APPLICANT THAT THIS LETTER OF CREDIT IS BEING ISSUED PURSUANT TO, AND IN ACCORDANCE WITH THAT CERTAIN TRANSACTION CONFIRMATION, DATED AS OF _____, BETWEEN THE ACCOUNT PARTY AND THE BENEFICIARY (THE "AGREEMENT").

THIS LETTER OF CREDIT IS ISSUED, PRESENTABLE AND PAYABLE AT THE OFFICE LOCATED AT MUFG UNION BANK, N.A. TRADE SERVICE OPERATIONS, 1980 SATURN STREET V02-906 MONTEREY PARK CALIFORNIA 91755-7417 ATTENTION: STANDBY LETTER OF CREDIT SECTION, AND EXPIRES WITH OUR CLOSE OF BUSINESS ON _____, 20__ (THE "EXPIRATION DATE"); PROVIDED THAT THIS LETTER OF CREDIT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AN AMENDMENT FOR A ONE YEAR PERIOD BEGINNING ON SUCH EXPIRATION DATE HEREOF, AND UPON EACH ANNIVERSARY OF SUCH DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO ANY SUCH EXPIRATION DATE, WE HAVE SENT YOU WRITTEN NOTICE BY COURIER SERVICE OR OVERNIGHT MAIL AT THE ABOVE ADDRESS THAT WE ELECT NOT TO PERMIT THIS LETTER OF CREDIT TO BE SO EXTENDED BEYOND, AND WILL EXPIRE ON ITS THEN CURRENT

EXPIRATION DATE. NO PRESENTATION MADE UNDER THIS LETTER OF CREDIT AFTER SUCH EXPIRATION DATE WILL BE HONORED..

FUNDS IN PAYMENT OF A DRAWING UNDER THIS LETTER OF CREDIT ARE AVAILABLE TO THE BENEFICIARY BY PAYMENT AGAINST PRESENTATION AT THE OFFICE AS STIPULATED HEREIN ABOVE, OF THE BENEFICIARY'S SIGNED AND APPROPRIATELY COMPLETED SIGHT DRAFT(S) IN THE FORM OF EXHIBIT 1 ATTACHED HERETO, THE BENEFICIARY'S SIGNED AND APPROPRIATELY COMPLETED DRAWING CERTIFICATE(S) IN THE FORM OF EXHIBIT 2 ATTACHED HERETO AND COPIES OF THE ORIGINAL LETTER OF CREDIT AND AMENDMENTS (IF ANY).

IF A DRAWING IS PRESENTED, ON OR PRIOR TO THE EXPIRATION DATE, AT THE ADDRESS NOTED ABOVE, DELIVERED TO US BY OVERNIGHT COURIER OR FAXED TO US AT XXX-XXX-XXXX AT OR PRIOR TO 11:00 A.M. CALIFORNIA TIME ON A BUSINESS DAY, PAYMENT OF THE AMOUNT SPECIFIED IN SUCH DRAFT SHALL BE MADE ON THE THIRD SUCCEEDING BUSINESS DAY. IF SUCH DRAFT IS PRESENTED AT OUR COUNTERS, DELIVERED TO US BY OVERNIGHT COURIER OR FAXED TO US AFTER 11:00 A.M. CALIFORNIA TIME ON A BUSINESS DAY, PAYMENT OF THE AMOUNT SPECIFIED IN SUCH DRAFT SHALL BE MADE ON THE FOURTH SUCCEEDING BUSINESS DAY.

PARTIAL AND MULTIPLE DRAWINGS ARE PERMITTED HEREUNDER. ANY DRAWING HONORED HEREUNDER BY THE ISSUER SHALL REDUCE THE STATED AMOUNT AVAILABLE FOR DRAWINGS BY THE AMOUNT OF ANY DRAWING HONORED BY THE ISSUER.

THIS LETTER OF CREDIT IS NOT TRANSFERABLE.

ALL BANKING CHARGES ASSOCIATED WITH THIS LETTER OF CREDIT ARE FOR THE ACCOUNT OF THE APPLICANT.

AS USED HEREIN, "BUSINESS DAY" MEANS ANY DAY OTHER THAN SATURDAY, SUNDAY OR A LEGAL HOLIDAY IN LOS ANGELES, CALIFORNIA.

THIS LETTER OF CREDIT IS SUBJECT TO AND GOVERNED BY THE INTERNATIONAL STANDBY PRACTICES, INTERNATIONAL CHAMBER OF COMMERCE (ICC) PUBLICATION NO. 590 ("ISP98"). AS TO MATTERS NOT ADDRESSED BY THE ISP98, AND TO THE EXTENT NOT INCONSISTENT WITH THE ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING, WITHOUT LIMITATION, ARTICLE 5 OF THE UNIFORM COMMERCIAL CODE OF THE STATE OF NEW YORK).

THIS LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING AND SUCH UNDERTAKING SHALL NOT IN ANY WAY BE MODIFIED, AMENDED OR AMPLIFIED BY REASON OF OUR REFERENCE TO ANY AGREEMENTS OR INSTRUMENT REFERRED TO OR IN WHICH THIS LETTER OF CREDIT IS REFERRED TO. ANY SUCH AGREEMENTS OR INSTRUMENT SHALL NOT BE DEEMED INCORPORATED HEREIN BY REFERENCE.

SINCERELY,

MUFG UNION BANK, N.A.

NAME: _____

TITLE: _____

EXHIBIT 1

[BENEFICIARY LETTERHEAD]

SIGHT DRAFT

[DATE]

MUFG UNION BANK, N.A.
TRADE SERVICE OPERATIONS
1980 SATURN STREET, V02-906
MONTEREY PARK, CALIFORNIA 91755-7417
ATTENTION: STANDBY LETTER OF CREDIT SECTION

RE: IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER ירירירי _____

FOR THE VALUE RECEIVED, PAY TO THE ORDER OF _____ BY WIRE TRANSFER OF
IMMEDIATELY AVAILABLE FUNDS TO THE FOLLOWING ACCOUNT:

[NAME OF ACCOUNT]
[ACCOUNT NUMBER]
[NAME AND ADDRESS OF BANK AT WHICH ACCOUNT IS MAINTAINED]
[ABA NUMBER]
[REFERENCE]

THE FOLLOWING AMOUNT:

[INSERT NUMBER OF DOLLARS IN WRITING] UNITED STATES DOLLARS
(US\$ [INSERT NUMBER OF DOLLARS IN FIGURES])

DRAWN UPON YOUR LETTER OF CREDIT NO. _____ DATED _____, 2010

BY: _____

NAME: _____

TITLE: _____

EXHIBIT 2

DRAWING CERTIFICATE

[DATE]

MUFG UNION BANK, N.A.
TRADE SERVICE OPERATIONS
1980 SATURN STREET, V02-906
MONTEREY PARK, CALIFORNIA 91755-7417
ATTENTION: STANDBY LETTER OF CREDIT SECTION

RE: IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____

LADIES AND GENTLEMEN:

THE UNDERSIGNED, A DULY AUTHORIZED OFFICER OF _____ (THE "BENEFICIARY") OF THE CAPTIONED LETTER OF CREDIT (THE "LETTER OF CREDIT"), HEREBY CERTIFIES TO MUFG UNION BANK, N.A. (THE "ISSUER") WITH RESPECT TO THE LETTER OF CREDIT (THE TERMS DEFINED THEREIN AND NOT OTHERWISE DEFINED HEREIN BEING USED HEREIN AS THEREIN DEFINED) THAT:

- (1) [_____] (THE "ACCOUNT PARTY") HAS DEFAULTED UNDER [THAT CERTAIN WESTERN STATES POWER POOL CONFIRMATION LETTER (ENERGY) DATED MARCH __, 2022 BETWEEN THE ACCOUNT PARTY AND THE BENEFICIARY] [AND] THAT CERTAIN NON-RA EXPORT CAPACITY CONFIRMATION DATED MARCH __, 2022 BETWEEN THE ACCOUNT PARTY AND THE BENEFICIARY] (THE "AGREEMENT[S]"); AND
- (2) THE AMOUNT BEING DRAWN PURSUANT TO THIS CERTIFICATE IS THE AMOUNT DUE AND OWING TO BENEFICIARY BEYOND ANY APPLICABLE NOTICE GRACE PERIODS APPLICABLE UNDER THE AGREEMENT[S].

– OR –

- (1) THIS LETTER OF CREDIT WILL EXPIRE IN THIRTY (30) CALENDAR DAYS OR LESS AND THE ACCOUNT PARTY HAS NOT PROVIDED ALTERNATE SECURITY AS REQUIRED PER THE TERMS OF THE AGREEMENT.

IN WITNESS WHEREOF, THE UNDERSIGNED HAS EXECUTED THIS DRAWING CERTIFICATE AS OF THE ____ DAY OF _____ 20__.

BY:

NAME:

TITLE:

**NON-RA EXPORT CAPACITY
TRANSACTION CONFIRMATION**

This Non-RA Export Capacity Transaction Confirmation (“**Confirmation**”), dated March __, 2022 (the “**Effective Date**”), is made and entered into by Geysers Power Company, LLC (“**Seller**”) and the Sacramento Municipal Utility District (“**Buyer**”) pursuant to the Western Systems Power Pool Agreement (Effective Version: July 28, 2020) together with any and all exhibits, schedules or supplements thereto or incorporated therein by reference, but no further modification unless agreed by the Parties (the “**WSPP Agreement**”), and is subject to the terms and conditions of the WSPP Agreement, except as modified by this Confirmation. Seller and Purchaser are sometimes each referred to herein as a “**Party**” and collectively as the “**Parties**”. Terms used but not defined herein shall have the meanings ascribed to them in the WSPP Agreement. In the event of any inconsistency between any of the terms herein and in the WSPP Agreement, the terms of this Confirmation shall control. This Confirmation and the WSPP Agreement are referred to collectively as the “**Agreement**”.

NOW, THEREFORE, the Parties agree as follows:

Seller:	Geysers Power Company, LLC:
Buyer:	Sacramento Municipal Utility District
Product:	Capacity from the Project (as defined below) to support Self-Schedules for the export from the CAISO Balancing Area Authority to an external Balancing Area Authority of energy purchased by Buyer from Seller. Buyer intends to use capacity from the Project identified by Seller as provided below (the “ Non-Resource Adequacy Capacity ” or “ Non-RA Capacity ”), to support the export of Self-Scheduled energy as a high priority non-recallable export, which will be defined as the priority established for “Self-Schedules of exports at Scheduling Points explicitly sourced by Non-Resource Adequacy Capacity” pursuant to Section 31.4 of the CAISO Tariff or for “Price Taker (PT) exports” pursuant to Section 2.5.5.1 of the CAISO Market Operations Business Practice Manual. The Non-Resource Adequacy Capacity in support of exports from the CAISO Balancing Area Authority to an external Balancing Area Authority is sometimes referred to as a “ Supporting Resource .” Buyer’s rights hereunder to the Product do not include any rights to the electrical output of the Units or the Alternate Capacity, and no Energy or Ancillary Services associated with any Unit is required to be made available to Buyer pursuant to this Confirmation.
Project:	Subject to the provisions in the section titled “Alternate Capacity”, the Product will be provided from one or more geothermal power plants (“ Units ”) owned or controlled by Seller in Lake and Sonoma Counties, California. The Units as of the Effective Date are listed on Exhibit A attached hereto. However, due to the portfolio nature of the Geysers

	<p>geothermal facility, Buyer acknowledges that Seller is making sales and deliveries from the Project to other purchasers. Following the Effective Date, Seller may add or remove generating facilities and/or Designated Alternate Capacity Units to or from Exhibit A with prior written notice to Buyer, and any added generating facility(ies) will thereafter be considered Units for all purposes under this Confirmation; provided that, to the extent that addition of the generating facility(ies) was not approved by the CEC prior to delivery, the delivery of Product from the added generating facility(ies) is conditioned on the CEC making a final decision pursuant to the California Code of Regulations, Title 20, Section 2910 that the covered procurement complies with EPS, and in the event the CEC makes a final decision that the added generating facility(ies) does not comply with the EPS, the change to Exhibit A shall be void and all pending Product deliveries from such added generating facility(ies) shall be terminated no later than the effective date of the CEC's decision. The Unit or Units from which the Product is delivered and the amount of Product delivered from each Unit may change from time to time during the Delivery Term, and the capacity of a Unit may be allocated wholly or partially to the delivery of the Product.</p>
Contract Quantity:	100 MW, measured on the same basis as NQC. Any difference between the actual capacity of a Unit and such Unit's NQC due to operating conditions will be treated as an Unexcused Outage if Seller does not provide Alternate Capacity.
Contract Price:	
Delivery Term:	January 1, 2023 through December 31, 2032
Monthly Payment:	<p>Buyer will make a monthly payment to Seller calculated as follows:</p> $\text{Monthly Payment} = ([\text{Contract Quantity} - \text{Planned Outage Quantity} - \text{Designated Unexcused Outage Quantity}] \times \text{Contract Price} \times \text{Monthly Shape Factor}) + \text{NPD Amount} - \text{Damage Payment Amount}$ <p>where</p> <p>“Planned Outage Quantity” means the amount of Product not provided due to a Planned Outage to the extent that Seller does not replace such Product with Alternate Capacity. For any month, the Planned Outage Quantity will be equal to the Contract Quantity times a fraction, the numerator of which is the number of hours of Planned Outage in such month and the denominator of which is the total number of hours in such month. For purposes of the foregoing calculation, if the amount of Product is only partially reduced as a result of a Planned Outage, such reduction will be treated as a portion</p>

	<p>of an hour of Planned Outage equal to the pro rata portion of the Product that was not provided.</p> <p>“Designated Unexcused Outage Quantity” means the amount of Product not provided due to a Designated Unexcused Outage to the extent that Seller does not replace such Product with Alternate Capacity. For any month, the Designated Unexcused Outage Quantity will be equal to the Contract Quantity times a fraction, the numerator of which is the number of hours of Designated Unexcused Outage in such month and the denominator of which is the total number of hours in such month. For purposes of the foregoing calculation, if the amount of Product is only partially reduced as a result of a Designated Unexcused Outage, such reduction will be treated as a portion of an hour of Designated Unexcused Outage equal to the pro rata portion of the Product that was not provided.</p> <p>“Monthly Shape Factor” means the applicable percentage for the month set forth on Exhibit B.</p> <p>“NPD Amount” means the total negative price differential amount, if any, for the month, as provided in the section titled “Delivery of Product”.</p> <p>“Damage Payment Amount” means the amount of damages, if any, payable by Seller as provided in the section titled “Damages for Unexcused Failure to Provide Product”.</p>
Delivery of Product:	<p>Seller will notify Buyer at least 30 days before the beginning of each calendar month during the Delivery Term of the Unit or Units from which the Product will be provided for that month, the amount of Product (in MW) that will be provided from each such Unit, and the CAISO Resource ID number(s) for such Unit(s). Seller may revise the Units and quantities of Product from each Unit designated in such notice (or designate Alternate Capacity as provided below, as applicable) from time to time until two (2) hours before the scheduling deadline for the submission of Bids into the Day Ahead Market or such later time (including real time) to the extent allowed by the CAISO. Buyer and Seller will cooperate and take reasonable actions to enable substitution of other Units or Alternate Capacity after the foregoing deadline to the extent allowed by the CAISO.</p> <p>Seller will be deemed to have delivered the Product in a given hour to the extent it has done the following:</p>

	<p>(1) Seller has designated an amount of capacity equal to the Contract Quantity from one or more Units and/or from Alternate Capacity that satisfy the following requirements:</p> <ul style="list-style-type: none"> (a) The Units or Alternate Capacity designated by Seller are identified in their respective Master Files as eligible for sale to an out-of-balancing authority area Load Serving Entity; (b) No CAISO Load Serving Entity has a right to the designated capacity; (c) The capacity is capable of supporting energy exports during the entire hour; and (d) The capacity is deliverable and has Full Capacity Deliverability Status as identified on the CAISO's Net Qualifying Capacity (NQC) list. <p>(2) Seller offers the designated capacity in the Day-Ahead Residual Unit Commitment Market ("RUC Market") to support the Contract Quantity; provided that, not more than ten (10) times in any contract year (or as otherwise agreed by Buyer and Seller), Buyer may, by notice to Seller no later than 0500 Pacific time on the applicable WECC Pre-Schedule Day, direct Seller not to offer any of the designated capacity into the RUC Market on a given day and instead to offer all (but not less than all) of the designated capacity in the Real Time Market (RTM) on that day. Bids into the RUC Market shall be at a price of zero dollars (\$0.00) per MW.</p> <p>(3) Seller has given Buyer timely notice of the Units or Alternate Capacity from which the Product will be provided and the information necessary for Buyer to schedule energy exports supported by such Units or Alternate Capacity as a Supporting Resource.</p> <p>(4) The designated capacity has not been reduced as the result of forced outages or derates of the designated Units and/or Alternate Capacity that has been allocated to Buyer, it being understood that any reduction will reduce the amount of Product delivered.</p> <p>For those days that Buyer directs Seller to offer all of the designated capacity in the RTM instead of the RUC Market as provided in clause (2), Buyer will hold Seller harmless from any negative price differential between the prices in the Day Ahead Market and RTM at the PNode(s) for the designated capacity. The price differential (defined as the Day Ahead Market price minus the RTM price) for the Contract Quantity will be calculated on an hourly basis for all hours in</p>
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	<p>an applicable day, and the cumulative differential amount will be payable by Buyer to Seller monthly as provided below, but the monthly amount will not be less than zero (i.e. Seller will not be required to make a payment to Buyer.</p>
<p>Scheduling Coordinator; Other CAISO Revenues:</p>	<p>Seller will be the Scheduling Coordinator for the Units and will take such actions as may be reasonably necessary to enable Seller to perform its obligations under this Confirmation. Except as otherwise expressly provided herein or in another agreement between Buyer and Seller, Seller shall be entitled to retain any revenues it may receive from the CAISO or a third party from sales of other products from the Units, including energy, ancillary services and unit contingent call rights to provide energy, so long as such sales to not interfere with or confer any right to any Product sold hereunder.</p>
<p>Adjustments to Contract Quantity:</p>	<p>If and to the extent the Units are not available to provide the full amount of the Contract Quantity in any given hour, Seller may elect either not to provide the unavailable portion of the Contract Quantity or to provide Alternate Capacity to replace the unavailable portion of the Contract Quantity. Except as provided section titled “Excused Outages and Other Delivery Excuses”, if Seller elects not to provide Alternate Capacity to replace unavailable Contract Quantity, Seller will be liable for damages as provided below.</p>
<p>Alternate Capacity:</p>	<p>If Seller is unable to provide the full amount of the Contract Quantity from the Units initially designated to provide the Product, Seller may supply capacity from other Units, from a Designated Alternate Capacity Unit, or from other generating resources in the CAISO Balancing Authority Area that satisfy the requirements for Non-RA Capacity set forth above in the section titled “Delivery of Product” (“Alternate Capacity”); provided, however, that such Alternate Capacity provided from other generating resources in the CAISO Balancing Authority Area that are not Units or Designated Alternate Capacity Units shall not exceed 15% of the forecasted Product to be delivered over the entire Delivery Term; provided, further, commencing on August 1, 2029, and on each August 1 thereafter during the Delivery Term, Buyer may inform Seller that Buyer does not want to continue to allow Seller to provide Alternate Capacity from resources other than the Units from and after January 1, 2030, or the January 1 following the date of the notice, as applicable, through the remainder of the Delivery Term, in which case Seller shall not designate a resource that is not a Unit as Alternate Capacity after such date; provided, further, that if Buyer’s board of directors adopts a policy (or revises an existing policy) that requires Buyer not to purchase energy or capacity from resources that emit greenhouse gases earlier than January 1, 2030, Buyer shall have the foregoing option as</p>

	of the date five (5) months before the effective date of such new or revised policy. For the avoidance of doubt, Designated Alternate Capacity Units shall only be used as Alternate Capacity.
Planned Outages:	Planned Outage shall be scheduled in accordance with applicable CAISO procedures during the Non-Summer Months. Planned Outages will be limited to 45 days per calendar year. Planned Outages where the affected Contract Quantity is replaced by Alternate Capacity shall not be counted against the 45 days per year allowance for Planned Outages. Planned Outages affecting less than all of the Contract Quantity will be considered a Planned Outage for a part of a day corresponding to the pro rata amount of the affected Contract Quantity.
Excused Outages and Other Excused Events:	<p>Seller shall be excused from providing the Product or Alternate Capacity to the extent such failure is due to (i) an Excused Outage, (ii) Buyer's failure to perform any of its obligations hereunder, or (iii) any curtailment or reduction in priority of Buyer's export of energy outside of the CAISO Balancing Authority Area, including transmission outages and system emergencies, that is not the result of a failure of performance by Seller hereunder.</p> <p>If Buyer notifies Seller that Seller may not provide Alternate Capacity from resources other than the Units as provided above in the section titled "Alternate Capacity", Seller shall thereafter be excused from providing Product or Alternate Capacity to the extent the Units are not available to provide the full Contract Quantity except as the result of a Designated Unexcused Outage.</p> <p>Each of the foregoing reasons for Seller being excused from providing the Product or Alternate Capacity is referred to herein as an "Excused Event". Buyer accepts the risk of Excused Events and agrees that there shall be no reduction in the monthly payment as a result of any failure to provide Product or Alternate Capacity due to an Excused Event.</p>
Damages for Unexcused Failure To Provide Product:	If in any month Seller fails to deliver at least 94.5% of the Contract Quantity from the Units or Alternate Capacity on average, calculated over all of the Assessment Hours in such month for reasons that are not Excused Events, Seller shall be subject to damages equal to the penalties that would be payable under the CAISO Tariff for failure to deliver the same amount of Resource Adequacy Capacity. Buyer and Seller acknowledge and agree that, as of the Effective Date, those penalties are RAIM penalties equal to 60% of the CPM Soft-Cap Price (as provided in Section 40.9.6.1(b) of the CAISO Tariff), but those penalties may change as provided in the preceding sentence. Damages (if any) will be calculated on an hourly basis, but paid

	<p>monthly as provided in the section title “Monthly Payment”. Upon Buyer’s reasonable request, Seller will provide access to any records, including outage reporting or settlement data from the CAISO necessary to verify the invoice.</p>
Review of Unit Availability:	<p>After the first year of the Delivery Term, and thereafter as reasonably requested by Buyer, the Parties will meet and confer regarding the availability of the Unit(s). If the availability of the Unit(s) persistently is materially less than 100 MW, the Parties will discuss in good faith opportunities to improve such availability and, if they agree (each in its sole discretion) to make any appropriate amendments to this Transaction, including, but not limited to, adjustments to the Contract Quantity. However, unless and until the Parties enter into any such amendments, this Transaction shall continue in full force and effect.</p>
Change In Law:	<p>In the event of any change in law or regulations, including but not limited to the CAISO Tariff, Software Infrastructure Business Rules (SIBR), and/or Business Practice Manuals, that materially affects the requirements for capacity that supports energy exports from the CAISO Balancing Authority Area to an external Balancing Authority Area (i.e., a Supporting Resource) or that materially changes the rights or obligations of a Party or the costs, benefits or burdens of performance by a Party under this Confirmation, then, at the request of the affected Party, the Parties will meet and negotiate in good faith to make such revisions to this Transaction as may be necessary to restore the costs, benefits and burdens of performance by each Party to those existing as of the Effective Date. If the Parties are unable to agree on such amendments after 90 days, this Transaction will continue in force, but Buyer may, at its option, resell the Product as Resource Adequacy Capacity, and Seller will cooperate with Buyer in effectuating such resale.</p> <p>Without limiting the foregoing, if during the Delivery Term the CAISO or the CPUC either replaces NQC as the value utilized to measure the qualifying capacity of a Unit with a successor value such as unforced capacity (“UCAP”), or utilizes such successor value as a supplemental means of measuring the qualifying capacity of a Unit together with NQC, then, at Seller’s request, the Parties shall negotiate an amendment to this Confirmation so that, from and after the effective date of such replacement or supplement, the amount of Product to be provided by Seller to Buyer is no less than Buyer’s pro rata share of the total qualifying capacity of the Units after such replacement or supplement (based on the ratio of the Contract Quantity to the total qualifying capacity of the Units before such replacement); provided that Seller may, at its option, agree to provide Product in excess of such amount up to the Contract Quantity.</p>

Credit Support:	<p>Seller and Buyer are entering into the RPS Agreement concurrently with the execution of this Confirmation. The security posted by Seller under the RPS Agreement shall secure its obligations under both this Confirmation and the RPS Agreement; provided that Buyer may only draw on such security pursuant to this Confirmation to recover damages payable under this Confirmation. The provisions of the RPS Agreement shall govern the posting, maintenance and release of this security. However, if the RPS Agreement is terminated for any reason, but this Confirmation continues in force, the Parties will amend this Confirmation within thirty (30) days after such termination to include the relevant portions of the RPS Agreement relating to posting, maintenance, reduction and release of the security (with such changes as may be necessary to reflect the differences between the two confirmations) and <u>Schedule 1</u>, except that the amounts on <u>Schedule 1</u> to the RPS Agreement will be reduced to reflect the proportionate reduction in Buyer's overall exposure as a result of the termination of the RPS Agreement. Once Seller has achieved an Investment Grade Rating, Seller shall no longer be required to post security under this Confirmation or the RPS Agreement, and Buyer shall return any cash or letters of credit held as security as provided in the RPS Agreement.</p> <p>As long as Buyer maintains an Investment Grade Rating, Buyer will not be required to provide security for the performance of its obligations hereunder and under the RPS Agreement. If Buyer ceases to maintain an Investment Grade Rating, Buyer will post and maintain security for its obligations hereunder and under the RPS Agreement as provided in the RPS Agreement; provided that Seller may only draw on such security pursuant to this Confirmation to recover damages payable under this Confirmation. If Buyer subsequently regains an Investment Grade Rating, shall not be required to post security under this Confirmation or the RPS Agreement, and Seller shall return any cash or letters of credit held as security as provided in the RPS Agreement.</p>
Early Termination:	<p>The Parties have entered into a separate agreement for the purchase and sale of renewable energy from the Units, which is dated concurrently with the Effective Date (the "RPS Agreement"). In the event the RPS Agreement is terminated for reasons other than as the result a default by a Party thereunder, either Party may also terminate this Agreement by written notice to the other Party within thirty (30) days after the termination of the RPS Agreement. Any such termination shall be "without fault", and neither Party shall be subject to damages or ongoing obligations as a result of such termination.</p>

Assignment:	<p>Notwithstanding anything in Section 14 of the WSPP Agreement to the contrary, Seller may, without the prior written consent of Buyer, transfer or assign this Confirmation and its rights and obligations hereunder to a Qualified Transferee; provided that Seller shall provide at least fifteen (15) Business Days notice to Buyer prior to any such transfer or assignment, and Seller shall not be relieved of its obligations under the Agreement prior to the effective date of such transfer or assignment and Seller's assignee having agreed in writing to assume all of Seller's obligations and liabilities under this Agreement. Upon any such assignment and the assumption in writing by the Affiliated assignee of all of Seller's obligations hereunder, Seller shall be released from any further obligation or liability under this Confirmation.</p> <p>Seller may also assign this Confirmation as collateral for any financing or refinancing of some or all of the Units. In connection with any financing or refinancing of some or all of the Units by Seller, Buyer shall in good faith work with Seller and its lender to execute a consent to collateral assignment of this Agreement substantially in the form attached hereto as Exhibit D.</p>
Limitation on Damages:	<p>THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. IF ANY PROVISION OF THIS AGREEMENT PROVIDES FOR AN EXPRESS REMEDY OR MEASURE OF DAMAGES, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY FOR BREACH OF THAT PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY FOR A BREACH OF SUCH PROVISION ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED, A PARTY'S LIABILITY FOR BREACH SHALL BE LIMITED TO DIRECT DAMAGES ONLY. EXCEPT FOR DAMAGES OWED TO UNAFFILIATED THIRD PARTIES WHICH MAY BE SUBJECT TO INDEMNIFICATION, NEITHER PARTY SHALL HAVE ANY LIABILITY FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, INDIRECT, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING LOSS OF PROFITS OR BUSINESS OPPORTUNITIES, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIVITIES CONTEMPLATED HEREBY, WHETHER ASSERTED IN CONTRACT, TORT OR OTHERWISE AND NOTWITHSTANDING THE INADEQUACY OR CLAIMED INADEQUACY OF ANY LIMITED REMEDY.</p> <p>NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, SELLER'S TOTAL LIABILITY HEREUNDER AND UNDER THE RPS AGREEMENT SHALL NOT EXCEED THE AMOUNTS SET FORTH ON SCHEDULE 1 TO THE RPS AGREEMENT FOR THE PERIOD IN QUESTION.</p>

Emission Performance Standard	This Agreement is a “covered procurement” under the CEC’s EPS and Buyer shall make the required compliance filing with the CEC within 10 Business Days of the Effective Date. The Parties agree that this Agreement shall be void and all pending Product deliveries terminated no later than the effective date of any final decision by the CEC pursuant to the California Code of Regulations, Title 20, Section 2910 that the covered procurement fails to comply with EPS. The Parties acknowledge that the Project is a “determined to be compliant” power plant pursuant to 20 CCR §§ 2903(b)(1) or (2).
General Representations:	<p>In addition to the representations and warranties contained in Section 37 of the Master Agreement, each of Purchaser and Seller represents and warrants to the other party that, as of the Effective Date:</p> <ul style="list-style-type: none"> (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; (b) it has all contractual, governmental, regulatory and legal authorizations necessary for it to legally perform its obligations under this Confirmation; (c) the execution, delivery and performance of this Confirmation are within its powers, have been duly authorized by all necessary action; (d) this Confirmation and each other document executed and delivered in accordance with this Confirmation constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, subject to any bankruptcy, insolvency, reorganization and other laws affecting creditors’ rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending; and (e) it is acting for its own account, has made its own independent decision to enter into this Confirmation and as to whether this Confirmation is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in doing so, and is capable of assessing the merits of and understanding, and understands and accepts, the terms and conditions and risks of this Confirmation.
Certain Modifications of the WSPP Agreement:	<p>The WSPP Agreement is hereby modified as follows:</p> <ul style="list-style-type: none"> (1) Section 21.1 of the WSPP Agreement is amended by deleting “other direct” in the ninth line. The Parties also agree that the waiver

	<p>on the fifth line of that section does not apply to any damages or other remedies expressly provided for in this Confirmation.</p> <p>(2) Section 21.3(a) of the WSPP Agreement is modified by (i) deleting the words “as follows” in the sixth line of the first sentence thereof and substituting the phrase “as set forth in the applicable Confirmation”, (ii) deleting subsections (1), (2) and (3) thereof, (iii) deleting the phrase “and the Contract Price of the Confirmation to which the non-performed transaction is identified, and the Contract Quantity of the non-performed transaction, shall be applied to the calculation of amounts due under Section 21.3(a)(1) through (3), as applicable” at the end of the first paragraph of subsection (5) thereof and substituting the phrase “and damages shall be calculated in accordance with the applicable Confirmations”, and (iv) deleting the balance of subsection (5) after the first two paragraphs thereof</p> <p>(3) Section 21.3(d) of the WSPP Agreement is revised by (i) changing “the full amount of damages” on the second and third lines to “the undisputed amount of damages”, and (ii) deleting the second sentence thereof.</p> <p>(4) Section 22.1 of the WSPP Agreement is modified as follows:</p> <p>(a) Subsection (d) is deleted and replaced with [intentionally omitted]”:</p> <p>(b) Subsections (f) through (j) are added as follows:</p> <p>“(f) the failure of the Defaulting Party to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party’s obligations to deliver or receive the quantities of Product due under this Agreement, the exclusive remedy for which is provided in Section 21.3) if such failure is not remedied within thirty (30) days after written notice;</p> <p>(g) the termination of the RPS Agreement as the result of a default by the Defaulting Party thereunder;</p> <p>(h) the failure of the Defaulting Party to pay its debts generally as they become due or the Defaulting Party’s admission in a writing that is unable to generally pay its debts as they become due;</p> <p>(i) the institution, by the Defaulting Party, of a general assignment for the benefit of its creditors; or</p>
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	<p>(j) the application for, consent to, or acquiescence to, by the Defaulting Party, the appointment of a receiver, custodian, trustee, liquidator, or similar official for all or a substantial portion of its assets.”</p> <p>(5) Section 22.2(b) of the WSPP Agreement is amended by (i) inserting “and is continuing” after “Event of Default occurs” in the first line of the first paragraph, (ii) deleting the second sentence in the first paragraph, and (iii) deleting the second paragraph in its entirety.</p> <p>(6) Section 22.3 of the WSPP Agreement is amended as follows:</p> <p>(a) The second sentence of Section 22.3(b) is deleted and replaced with the following: “The “Present Value Rate” shall mean an annual rate equal to the “prime rate” as published in the Wall Street Journal from to time plus 2%.”</p> <p>(b) The third sentence of Section 22.3(c) is deleted and replaced with the following: “If the Non-Defaulting Party’s aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Agreement or a Confirmation, the Termination Payment for all such Terminated Transactions shall be zero, notwithstanding any provision in this Section or Agreement to the contrary.”</p> <p>(c) Section 22.3(e) (including all subsections) is deleted in its entirety and replaced with the following: “[intentionally omitted]”</p> <p>(d) Section 22.3(f) is deleted in its entirety and replaced with the following:</p> <p>“If the Defaulting Party disagrees with the calculation of the Termination Payment and the Parties cannot otherwise resolve their differences, and provided that Defaulting Party has paid the undisputed part of the Termination Payment to the Non-Defaulting Party and that any amounts disputed by the Defaulting Party are disputed in good faith, then the Defaulting Party may submit the calculation to dispute resolution pursuant to Section 34.”</p> <p>(7) Section 24 is amended by deleting “Utah” in the second line and replacing it with “California”.</p> <p>(8) Section 27 is deleted in its entirety and replaced with the following: “[intentionally omitted]”.</p>
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	<p>(9) The netting provisions of Section 28 of the WSPP Agreement shall apply to the transaction covered by this Confirmation as if Buyer and Seller had both executed Exhibit A to the WSPP Agreement. Both Parties intend for the netting provisions of Exhibit A to the WSPP Agreement to be effective on the first day of the Delivery Term.</p> <p>(10) Section 30.1 is amended by (a) inserting “or requested” after the word “required” in clause (4), (b) deleting “or” immediately before clause (7), and (c) adding the following at the end of the first sentence: “; or (8) to the Party’s and such Party’s affiliates’ lenders and potential lenders, investors or potential investors, counsel, accountants, advisors and agents who have a need to know such information and have agreed to keep such terms confidential”.</p> <p>(11) The second sentence of Section 31 of the WSPP Agreement is deleted.</p> <p>(12) The second and third sentences of Section 32.5 of the WSPP Agreement are deleted.</p> <p>(13) Sections 34.1 and 34.2 are deleted in their entirety and replaced with the following:</p> <p style="padding-left: 40px;">34.1 INFORMAL DISPUTE RESOLUTION</p> <p style="padding-left: 80px;">In the event of any dispute arising under this Confirmation, within ten (10) days following the receipt of a written notice from either Party identifying such dispute, the Parties shall meet, negotiate and attempt in good faith to resolve the dispute informally. If the Parties are unable to resolve a dispute arising hereunder within thirty (30) days after receipt of such notice, then each Party may seek any and all remedies available to it at law or in equity, subject to the limitations set forth in this Confirmation.</p> <p style="padding-left: 40px;">34.2 JURISDICTION; VENUE</p> <p style="padding-left: 80px;">Each Party submits to the jurisdiction of the state and federal courts located in Sacramento County, California, for any action or proceeding relating to this Confirmation or any transaction, and expressly waives any objection it may have to such jurisdiction or the convenience of such forum. Any litigation brought to enforce or interpret this Agreement shall be brought in the state or federal courts located in Sacramento County, California.</p>
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	<p>(14) The phrase “arbitration or” in the first line of Section 34.4 is deleted.</p> <p>(15) The phrase “as of the date of execution of this Confirmation,” is inserted after “to the other(s)” in the first line of Section 37.</p> <p>(16) Section 41 of the WSPP Agreement is renumbered Section 42 and the following new Section 41 entitled “Standard of Review” is inserted between Sections 40 and 42:</p> <p style="text-align: center;">41. STANDARD OF REVIEW</p> <p>The Parties agree as follows:</p> <p>41.1 Absent the agreement of all Parties to the proposed change, the standard of review for changes to any section of this Agreement (including all Transactions and/or Confirmations) specifying the rate(s) or other material economic terms and conditions agreed to by the Parties herein, whether proposed by a Party, a non-party or FERC acting <i>sua sponte</i>, shall be the “public interest” standard of review set forth in <i>United Gas Pipe Line Co. v. Mobile Gas Service Corp.</i>, 350 U.S. 332 (1956) and <i>Federal Power Commission v. Sierra Pacific Power Co.</i>, 350 U.S. 348 (1956)(the “Mobile-Sierra” doctrine) and clarified in <i>Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish</i> 554 U.S. 527 (2008) and <i>NRG Power Marketing LLC v. Maine Pub. Util. Comm’n</i>, 558 U.S. 165 (2010).</p> <p>41.2 The Parties, for themselves and their successors and assigns, (i) agree that this “public interest” standard shall apply to any proposed changes in any other documents, instruments or other agreements executed or entered into by the Parties in connection with this Agreement and (ii) hereby expressly and irrevocably waive any rights they can or may have to the application of any other standard of review, including the “just and reasonable” standard.</p>
Notices:	All notices hereunder will be in writing and will be sent to the Parties at the notice addresses set forth on Exhibit C attached hereto.
Definitions:	In addition to the defined terms in the WSPP Agreement, the following capitalized terms used in this Confirmation will have the meanings set forth below or defined elsewhere in this Confirmation. Excepted as otherwise defined herein, capitalized terms used in this Confirmation

	<p>and defined in the CAISO Tariff will have the meanings defined in the CAISO Tariff.</p> <p>“Alternate Capacity” has the meaning defined in the section titled “Alternate Capacity”.</p> <p>“Assessment Hour” means an “Availability Assessment Hour”, as defined in the CAISO Tariff, established by the CAISO pursuant to Section 40.9.3.1 of the CAISO Tariff.</p> <p>“Bid” has the meaning defined in the CAISO Tariff.</p> <p>“CAISO” means the California Independent System Operator Corporation or successor entity, or entities, with similar function(s).</p> <p>“CAISO Tariff” means the CAISO’s open access transmission tariff filed with, and approved by, the Federal Energy Regulatory Commission, as that tariff may be amended from time-to-time.</p> <p>“Day Ahead Market” has the meaning defined in the CAISO Tariff.</p> <p>“Designated Unexcused Outage” means Seller’s failure to deliver the Product due to (i) its failure to designate in the applicable Master File(s) sufficient capacity at the Project or Alternate Capacity as eligible for sale to a Load Serving Entity outside of the CAISO Balancing Authority Area, (ii) its designation of capacity as Non-RA Capacity hereunder that has also been designated on a Supply Plan as a Resource Adequacy Resource, or (iii) its failure to provide Alternate Capacity after it has notified Buyer that it would provide Alternate Capacity.</p> <p>“Effective Date” has the meaning defined in the preamble to this Confirmation.</p> <p>“Emission Performance Standard” or “EPS” means the requirements set-forth in California Code of Regulations (CCR) Title 20, Chapter 11, Article 1. Section 2900 et seq.</p> <p>“Excused Event” has the meaning defined in the section titled “Excused Outages and Other Excused Events”.</p> <p>“Excused Outage” means (i) an outage due to Uncontrollable Force, system emergencies, full or partial transmission outages (including public safety power shutoffs), actions by the CAISO or similar events or circumstances, and (ii) a Planned Outage.</p>
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	<p>“Governmental Authority” means any federal, state, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, having jurisdiction as to the matter in question.</p> <p>“Investment Grade Rating” means a rating of BBB- or better from S&P or a rating of Baa3 or better from Moody’s.</p> <p>“Load Serving Entity” has the meaning defined in the CAISO Tariff.</p> <p>“Master File” has the meaning defined in the CAISO Tariff.</p> <p>“Moody’s” means Moody’s Investors Service, Inc.</p> <p>“Planned Outage” means a Maintenance Outage (as defined in the CAISO Tariff) of any of the Units and any other outage characterized by the CAISO as a “planned outage” of any of the Units.</p> <p>“Net Qualifying Capacity” or “NQC” has the meaning defined in the CAISO Tariff.</p> <p>“Non-Resource Adequacy Capacity” or “Non-RA Capacity” has the meaning defined in the section titled “Product”.</p> <p>“Qualified Transferee” means (1) an Affiliate of Seller, or (2) any person succeeding to all or substantially all of the assets of Seller (whether voluntarily or by operation of law) that either itself or its direct or indirect parent, has (x) a tangible net worth of at least \$50,000,000 or (y) a credit rating of “BB-“ or higher by S&P or “Ba3” or higher by Moody’s</p> <p>“Real Time Market” or “RTM” has the meaning defined in the CAISO Tariff.</p> <p>“Resource Adequacy Capacity” has the meaning defined in the CAISO Tariff.</p> <p>“RPS Agreement” has the meaning defined in the section titled “Early Termination”.</p> <p>“RUC Market” has the meaning defined in the section titled “Delivery of Product”.</p> <p>“S&P” means Standard & Poor’s Financial Services LLC.</p>
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	<p>“Supporting Resource” has the meaning defined in the section titled “Product”.</p> <p>“Unexcused Outage” means and outage that is not an Excused Outage.</p> <p>“Units” has the meaning defined in the section titled “Project”.</p> <p>“WECC Pre-Schedule Day” means, with respect to any day, the prescheduling day set forth in the applicable prescheduling calendar issued from time to time by the Western Electricity Coordinating Council.</p>
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EXHIBIT A

UNITS

<u>Name of Facility</u>	<u>CAISO Resource ID</u>
Aidlin Power Plant	ADLIN_1_UNITS
Sonoma Power Plant	SMUDGO_7_UNIT 1
Geysers Units 5&6	GYS5X6_7_UNITS
Geysers Units 7&8	GYS7X8_7_UNITS
Geysers Unit 11	GEYS11_7_UNIT11
Geysers Unit 12	GEYS11_7_UNIT12
Geysers Unit 13	GEYS11_7_UNIT13
Geysers Unit 14	GEYS11_7_UNIT14
Geysers Unit 16	GEYS11_7_UNIT16
Geysers Unit 17	GEYS11_7_UNIT17
Geysers Unit 18	GEYS11_7_UNIT18
Calistoga Power Plant	SANTFG_7_UNITS
Geysers Unit 20	GEYS11_7_UNIT20

EXHIBIT A

DESIGNATED ALTERNATE CAPACITY UNITS

<u>Name of Facility</u>	<u>CAISO Resource</u> <u>ID</u>
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Delta Energy Center	DELTA_2_PL1X4
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Exhibit B

MONTHLY SHAPE FACTOR

<u>Month</u>	<u>Percentage of Average Annual Price</u>
January	75.00%
February	75.00%
March	50.00%
April	41.67%
May	41.67%
June	100.00%
July	200.00%
August	200.00%
September	200.00%
October	100.00%
November	41.67%
December	75.00%

EXHIBIT C

NOTICES

1.

Dated as of []

This CONSENT AND AGREEMENT, dated as of [____], 20[____] (this “Consent”), is entered into by and among ***[Insert name of Contracting Party]***, a [____] [organized][formed] and existing under the laws of the State of [____] (together with its permitted successors and assigns, “Contracting Party”), MUFG UNION BANK, N.A., in its capacity as collateral agent for the First Lien Secured Parties referred to below (together with its successors, designees and assigns in such capacity, “First Lien Collateral Agent”), and GEYSERS POWER COMPANY, LLC, a limited liability company formed and existing under the laws of the State of Delaware (together with its permitted successors and assigns, “Assignor”).

RECITALS

A. Assignor owns the following geothermal electric generating facilities located in the Geysers area of Northern California (Sonoma and Lake Counties) (collectively, the “Projects”):

The Aidlin project, an approximately 18 megawatt geothermal facility located in Sonoma County, CA.

The Sonoma project, an approximately 53 megawatt geothermal facility located in Sonoma County, CA.

The two-unit McCabe project, an approximately 84 megawatt geothermal facility located in Sonoma County, CA.

The two-unit Ridge Line project, an approximately 76 megawatt geothermal facility located in Sonoma County, CA.

The Eagle Rock project, an approximately 68 megawatt geothermal facility located in Sonoma County, CA.

The Cobb Creek project, an approximately 51 megawatt geothermal facility located in Sonoma County, CA.

The Big Geysers project, an approximately 61 megawatt geothermal facility located in Lake County, CA.

The Sulphur Springs project, an approximately 47 megawatt geothermal facility located in Sonoma County, CA.

The Quicksilver project, an approximately 53 megawatt geothermal facility located in Lake County, CA.

The Lake View project, an approximately 54 megawatt geothermal facility located in Sonoma County, CA.

The Socrates project, an approximately 50 megawatt geothermal facility located in Sonoma County, CA.

The two-unit Calistoga project, an approximately 69 megawatt geothermal facility located in Lake County, CA.

The Grant project, an approximately 41 megawatt geothermal facility located in Sonoma County, CA.

B. In order to finance the operation and maintenance of the Projects, Assignor has entered into that certain Credit Agreement, dated as of June 9, 2020 (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), with GEYSERS INTERMEDIATE HOLDINGS LLC, a Delaware limited liability company, as Holdings (“Holdings”), GEYSERS COMPANY, LLC, a Delaware limited liability company (“Geysers Company”), WILD HORSE GEOTHERMAL, LLC, a Delaware limited liability company (“Wild Horse”) and CALISTOGA HOLDINGS, LLC, a Delaware limited liability company (“Calistoga,” and, together with Holdings, Geysers Company and Wild Horse, each a “Guarantor” and together, the “Guarantors”), MUFG BANK, LTD., as administrative agent for the Lenders, MUFG UNION BANK, N.A., as collateral agent for the First Lien Secured Parties, and the financial institutions from time to time parties thereto in such other capacities as described therein (collectively, the “Lenders”).

C. Contracting Party and Assignor have entered into that certain [*Insert description of relevant Major Project Contract(s)*], dated as of [_____] [____], [_____] (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the “Assigned Agreement”).

D. As security for Assignor’s obligations under the Credit Agreement and related financing documents with respect to the Loans and related obligations, Assignor has granted, pursuant to a security agreement executed by Assignor and First Lien Collateral Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Security Agreement”), to the First Lien Collateral Agent, for the benefit of the First Lien Secured Parties, a first priority lien on all of Assignor’s right, title and interest in the Projects and other rights and interests relating thereto, whenever arising, including, without limitation, the Assigned Agreement and all of Assignor’s right, title and interest under (but not any of Assignor’s obligations, liabilities or duties with respect thereto) the Assigned Agreement;

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the parties hereto hereby agree, notwithstanding anything in the Assigned Agreement to the contrary, as follows:

1. Assignment and Agreement.

1.1 Consent to Assignment. Contracting Party (a) is hereby notified and acknowledges that the Lenders have entered into the Credit Agreement and made the extensions of credit contemplated thereby in reliance upon the execution and delivery by Contracting Party of the Assigned Agreement and this Consent, (b) consents to the collateral assignment under the Security Agreement of all of Assignor’s right, title and interest in, to and under the Assigned Agreement, including, without limitation, all of Assignor’s rights to receive payment and all payments due and to become due to Assignor under or with respect to the Assigned Agreement (collectively, the “Assigned Interests”) and (c) acknowledges the right of First Lien Collateral Agent or a Subsequent Owner (as defined below), in the exercise of First Lien Collateral Agent’s rights and remedies pursuant to the Security Agreement, upon written notice to Contracting Party, to make all demands, give all notices, take all actions and exercise all rights of Assignor under the Assigned Agreement.

1.2 Subsequent Owner.

(a) Contracting Party agrees that, if First Lien Collateral Agent notifies Contracting Party in writing that, pursuant to the Security Agreement, it has assigned, foreclosed or sold the Assigned Interests or any portion thereof, then (i) First Lien Collateral Agent or its successor, assignee and/or designee, or any purchaser of the Assigned Interests (a “Subsequent Owner”) shall be substituted for Assignor under the Assigned Agreement and (ii) Contracting Party shall (1) recognize First Lien Collateral Agent or the Subsequent Owner, as the case may be, as its counterparty under the Assigned Agreement and (2) continue to perform its obligations under the Assigned Agreement in favor of First Lien Collateral Agent or the Subsequent Owner, as the case may be; provided that First Lien Collateral Agent or such Subsequent Owner, as the case may be, has assumed in writing all of Assignor’s rights and obligations (including, without limitation, the obligation to cure any then existing payment and performance defaults, but excluding any obligation to cure any then existing performance defaults which by their nature are incapable of being cured) under the Assigned Agreement.

(b) ***[Insert the following only if warranties are provided by Contracting Party under the relevant Assigned Agreement:*** Without limiting anything herein, the warranties provided by Contracting Party under the Assigned Agreement shall continue in full force and effect (until the expiration of the applicable warranty periods set forth in the Assigned Agreement) in the event that First Lien Collateral Agent or a Subsequent Owner succeeds to Assignor’s right, title and interest in the Assigned Agreement.]

1.3 Right to Cure. If Assignor defaults in the performance of any of its obligations under the Assigned Agreement, or upon the occurrence or non-occurrence of any event or condition under the Assigned Agreement which would immediately or with the passage of any applicable grace period or the giving of notice, or both, enable Contracting Party to terminate or suspend its performance under the Assigned Agreement (each hereinafter a “default”), Contracting Party shall not terminate or suspend its performance under the Assigned Agreement until it first gives written notice of such default to First Lien Collateral Agent and affords First Lien Collateral Agent a period of at least 15 days (or if such default is a nonmonetary default, such longer period (not to exceed 60 days) as may be required to cure such default) from receipt of such notice to cure such default; provided, however, that (a) if possession of the Projects is necessary to cure such nonmonetary default and First Lien Collateral Agent has commenced foreclosure proceedings, First Lien Collateral Agent shall be allowed a reasonable time to complete such proceedings, and (b) if First Lien Collateral Agent is prohibited from curing any such nonmonetary default by any process, stay or injunction issued by any governmental authority or pursuant to any bankruptcy or insolvency proceeding or other similar proceeding involving Assignor, then the time periods specified herein for curing a default shall be extended for the period of such prohibition.

1.4 No Amendments.

(a) [reserved]

(b) Except for the Buyer Limited Assignment Right under section (p) of the Additional Terms of the Assigned Agreement, Contracting Party agrees that it shall not, without the prior written consent of First Lien Collateral Agent, which consent shall not be unreasonably withheld, (i) sell, assign or otherwise transfer any of its

rights under the Assigned Agreement, (ii) terminate, cancel or suspend its performance under the Assigned Agreement (unless it has given First Lien Collateral Agent notice and an opportunity to cure in accordance with Section 1.3 hereof), (iii) consent to any assignment or other transfer by Assignor of its rights under the Assigned Agreement, or (iv) consent to any voluntary termination, cancellation or suspension of performance by Assignor under the Assigned Agreement.

1.5 Replacement Agreements. In the event the Assigned Agreement is rejected or terminated as a result of any bankruptcy, insolvency, reorganization or similar proceeding affecting Assignor, Contracting Party shall, at the option of First Lien Collateral Agent exercised within 30 days after such rejection or termination, enter into a new agreement with First Lien Collateral Agent having identical terms as the Assigned Agreement (subject to any conforming changes necessitated by the substitution of parties and other changes as the parties may mutually agree), provided that (i) the term under such new agreement shall be no longer than the remaining balance of the term specified in the Assigned Agreement, and (ii) upon execution of such new agreement, First Lien Collateral Agent cures any outstanding payment and performance defaults under the Assigned Agreement, excluding any performance defaults which by their nature are incapable of being cured.

1.6 Limitations on Liability. Unless and until First Lien Collateral Agent has assumed Assignor's rights and obligations under the Assigned Agreement or entered into a new agreement, Contracting Party acknowledges and agrees that First Lien Collateral Agent shall not have any liability or obligation to Contracting Party under the Assigned Agreement as a result of this Consent, the Security Agreement or otherwise, nor shall First Lien Collateral Agent be obligated or required to (a) perform any of Assignor's obligations under the Assigned Agreement, except during any period in which First Lien Collateral Agent has assumed Assignor's rights and obligations under the Assigned Agreement pursuant to Section 1.2[(a)] above, or (b) take any action to collect or enforce any claim for payment assigned under the Security Agreement. If First Lien Collateral Agent has assumed Assignor's rights and obligations under the Assigned Agreement pursuant to Section 1.2[(a)] above or has entered into a new agreement pursuant to Section 1.5 above, First Lien Collateral Agent shall be subject to liability and obligations to Contracting Party under the Assigned Agreement or such new agreement for the period that it is party to the Assigned Agreement or such new agreement.

1.7 Delivery of Notices. Contracting Party shall deliver to First Lien Collateral Agent, concurrently with the delivery thereof to Assignor, a copy of each notice, request or demand given by Contracting Party to Assignor pursuant to the Assigned Agreement relating to (a) a default by Assignor under the Assigned Agreement, and (b) any matter that would require the consent of First Lien Collateral Agent pursuant to Section 1.4 above.

1.8 Transfer. First Lien Collateral Agent shall have the right to assign all of its interest in the Assigned Agreement or a new agreement entered into pursuant to the terms of this Consent; provided that such transferee assumes in writing the obligations of Assignor or First Lien Collateral Agent, as applicable, under the Assigned Agreement or such new agreement. Upon such assignment, First Lien Collateral Agent shall be released from any further liability under the Assigned Agreement or such new agreement to the extent of the interest assigned.

1.9 Refinancing. [Contracting Party hereby acknowledges that Assignor may, from time to time during the term of the Assigned Agreement, refinance the indebtedness incurred under the Credit Agreement pursuant to another bank financing, an institutional

financing, a capital markets financing, a lease financing or any other combination thereof or other form of financing. In connection with any such refinancing, Contracting Party hereby consents to any collateral assignment or other assignment of the Assigned Agreement in connection therewith and agrees that the terms and provisions of this Consent shall apply with respect to such assignment and shall inure to the benefit of the parties providing such refinancing. In furtherance of the foregoing, Contracting Party agrees that (i)(1) references in this Consent to the "First Lien Collateral Agent" and the "First Lien Secured Parties" shall be deemed to be references to the applicable financing parties providing such refinancing, and (2) references in this Consent to the "Credit Agreement" and the "Security Agreement" shall be deemed to be references to the corresponding agreements entered into in connection with such refinancing, and (ii) if reasonably requested by Assignor, it shall enter into a new consent, substantially in the form of this Consent (including any material changes from this form of Consent as may be agreed by Contracting Party) in favor of the parties providing such refinancing.]¹

[Insert the following only if Contracting Party is an Affiliate of Assignor under the relevant Assigned Agreement: 1.10 No Obligations. Notwithstanding anything to the contrary herein or in the Assigned Agreement, in the event that First Lien Collateral Agent or its designee(s) or assignee(s) succeed to the Assignor's interest under the Assigned Agreement or foreclose on the equity interests of Assignor, First Lien Collateral Agent or its designee or assignee shall have the right, which must be exercised within thirty (30) days following such person succeeding to Assignor's interest under the Assigned Agreement or such foreclosure on the Assignor's equity interests, to terminate the Assigned Agreement upon written notice to Contracting Party and neither it nor any First Lien Secured Party nor the Assignor shall have any further obligations under the Assigned Agreement, including without limitation, obligations in respect of the payment of any fees, commissions or expenses, provided that such termination shall not affect obligations incurred prior to the date of termination for services provided.]

2. Payments under the Assigned Agreement.

2.1 Payments. Contracting Party shall pay all amounts (if any) payable by it under the Assigned Agreement in the manner and as and when required by the Assigned Agreement directly into the account specified on Exhibit A hereto, or to such other person, entity or account as shall be specified from time to time by First Lien Collateral Agent to Contracting Party in writing. Notwithstanding the foregoing, if any entity or person has become a Subsequent Owner pursuant to the terms hereof, then Contracting Party shall pay all such amounts directly to such Subsequent Owner or an account designated by Subsequent Owner.

2.2 No Offset, Etc. All payments required to be made by Contracting Party under the Assigned Agreement shall be made without any offset, recoupment, abatement, withholding, reduction or defense whatsoever, other than those allowed by the terms of the Assigned Agreement.

3. Representations and Warranties of Contracting Party. Contracting Party hereby represents and warrants, in favor of First Lien Collateral Agent, as of the date hereof, that:

(a) Contracting Party (i) is a [] duly **[formed]****[organized]** and validly existing under the laws of the State of [], (ii) is duly qualified, authorized

¹ This Section 1.9 to be included at Borrowers election and with such changes as Borrower may reasonably request.

to do business and in good standing in every jurisdiction necessary to perform its obligations under the Assigned Agreement and this Consent, and (iii) has all requisite power and authority to enter into and to perform its obligations hereunder and under the Assigned Agreement, and to carry out the terms hereof and thereof and the transactions contemplated hereby and thereby;

(b) the execution, delivery and performance by Contracting Party of this Consent and the Assigned Agreement have been duly authorized by all necessary corporate or other action on the part of Contracting Party and do not require any approvals, filings with, or consents of any entity or person which have not previously been obtained or made;

(c) each of this Consent and the Assigned Agreement is in full force and effect, has been duly executed and delivered on behalf of Contracting Party by the appropriate officers of Contracting Party, and constitutes the legal, valid and binding obligation of Contracting Party, enforceable against Contracting Party in accordance with its terms, except as the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally, and (ii) general equitable principles (whether considered in a proceeding in equity or at law);

(d) there is no litigation, action, suit, proceeding or investigation pending or (to the best of Contracting Party's knowledge) threatened against Contracting Party before or by any court, administrative agency, arbitrator or governmental authority, body or agency which, if adversely determined, individually or in the aggregate, (i) could adversely affect the performance by Contracting Party of its obligations hereunder or under the Assigned Agreement, or which could modify or otherwise adversely affect any required approvals, filings or consents which have previously been obtained or made, (ii) could have a material adverse effect on the condition (financial or otherwise), business or operations of Contracting Party, or (iii) questions the validity, binding effect or enforceability hereof or of the Assigned Agreement, any action taken or to be taken pursuant hereto or thereto or any of the transactions contemplated hereby or thereby;

(e) the execution, delivery and performance by Contracting Party of this Consent and the Assigned Agreement, and the consummation of the transactions contemplated hereby and thereby, will not result in any violation of, breach of or default under any term of its formation or governance documents, or of any contract or agreement to which it is a party or by which it or its property is bound, or of any license, permit, franchise, judgment, injunction, order, law, rule or regulation applicable to it, other than any such violation, breach or default which could not reasonably be expected to have a material adverse effect on Contracting Party's ability to perform its obligations under the Assigned Agreement;

(f) neither Contracting Party nor, to the best of Contracting Party's knowledge, any other party to the Assigned Agreement, is in default of any of its obligations thereunder;

(g) to the best of Contracting Party's knowledge, (i) no event of force majeure exists under, and as defined in, the Assigned Agreement, and (ii) no event or condition exists which would either immediately or with the passage of any applicable grace period or giving of notice, or both, enable either Contracting Party or Assignor to terminate or suspend its obligations under the Assigned Agreement; and

(h) the Assigned Agreement, this Consent, the Limited Assignment (a form of which is attached as Exhibit B to the Assigned Agreement⁰, if and when signed, and that certain [WSPP Export Non-Resource Adequacy Confirmation] dated [____] between Assignor and Contracting Party are the only agreements between Assignor and Contracting Party

with respect to the Project, and all of the conditions precedent to effectiveness under the Assigned Agreement have been satisfied or waived.

Each of the representations and warranties set forth in this Section 3 shall survive the execution and delivery of this Consent and the Assigned Agreement and the consummation of the transactions contemplated hereby and thereby.

4. Miscellaneous.

4.1 Notices. Any communications between the parties hereto or notices provided herein to be given may be given to the following addresses:

If to Assignor:

[Insert Address of GEYSERS POWER COMPANY, LLC]

Facsimile:

Telephone:

Attention:

If to Contracting Party:

Facsimile:

Telephone:

Attention:

If to First Lien Collateral Agent:

Facsimile:

Telephone:

Attention:

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be considered as properly given (a) if delivered in person, (b) if sent by overnight delivery service (including Federal Express, UPS, DHL and other similar overnight delivery services), (c) in the event overnight delivery services are not readily available, if mailed by first class United States Mail, postage prepaid, registered or certified with return receipt requested, (d) if sent by prepaid telegram or by facsimile or (e) if sent by other electronic means (including electronic mail) confirmed by facsimile or telephone. Any party may change its address for notice hereunder by giving of 30 days' notice to the other parties in the manner set forth hereinabove.

4.2 Governing Law; Submission to Jurisdiction.

(a) THIS CONSENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH, AND BE GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO THE PRINCIPLES THEREOF RELATING TO CONFLICTS OF LAW EXCEPT SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

(b) Any legal action or proceeding with respect to this Consent and any action for enforcement of any judgment in respect thereof may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York, and, by execution and delivery of this Consent, Contracting Party hereby accepts for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts and appellate courts from any appeal thereof. Contracting Party irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to Contracting Party at its notice address provided pursuant to Section 4.1 hereof. Contracting Party hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Consent brought in the courts referred to above and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing herein shall affect the right of First Lien Collateral Agent to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against Contracting Party in any other jurisdiction.

4.3 Counterparts. This Consent may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. Delivery of an executed counterpart to this Consent by facsimile or “pdf” transmission shall be as effective as delivery of a manually signed original.

4.4 Headings Descriptive. The headings of the several sections and subsections of this Consent are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Consent.

4.5 Severability. In case any provision in or obligation under this Consent shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

4.6 Amendment, Waiver. Neither this Consent nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by Contracting Party and First Lien Collateral Agent.

4.7 Successors and Assigns. This Consent shall bind and benefit Contracting Party, First Lien Collateral Agent, and their respective successors and assigns.

4.8 Third Party Beneficiaries. Contracting Party and First Lien Collateral Agent hereby acknowledge and agree that the First Lien Secured Parties are intended third party beneficiaries of this Consent.

4.9 [intentionally omitted]

4.10 Entire Agreement. This Consent and any agreement, document or instrument attached hereto or referred to herein integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral negotiations and prior writings between the parties hereto in respect of the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Consent and any such agreement, document or instrument (including, without limitation, the Assigned Agreement), the terms, conditions and provisions of this Consent shall prevail.

4.11 Termination of Consent. This Consent shall terminate upon the earliest to occur of (a) the termination or cancellation of the Assigned Agreement in accordance with its terms and in accordance with the terms of this Consent (it being understood that this Consent shall not terminate but shall remain in effect in the circumstances described in Section 1.5 above in respect of any new agreement entered into in accordance with such Section), (b) the expiration of the term of the Assigned Agreement and (c) the termination of the Security Agreement in accordance with its terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto, by their officers duly authorized, intending to be legally bound, have caused this Consent and Agreement to be duly executed and delivered as of the date first above written.

GEYSERS POWER COMPANY, LLC,
a Delaware limited liability company,
as Assignor

By: _____
Name:
Title:

[Insert Name of Contracting Party],
a [_____] ,
as Contracting Party

By: _____
Name:
Title:

Accepted and Agreed to:

MUFG UNION BANK, N.A.,
solely in its capacity as First Lien Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

**CALIFORNIA ENERGY COMMISSION
EMISSION PERFORMANCE STANDARD COMPLIANCE FILING**

California Energy Commission
EPS Compliance
1516 Ninth Street
Sacramento, CA 95814-512
Attention: Compliance Filing

EPS@energy.state.ca.us

This is to inform you that the Sacramento Municipal Utility District (SMUD) entered into a long-term contract for renewable energy (“the Renewable Energy Contract”) and a long-term contract for capacity (the “Capacity Contract”) on March ____, 2022 (hereinafter referred to collectively as “Power Purchase Agreements”). The information concerning these Power Purchase Agreements follows. The information is the same for both agreements except as expressly noted below:

Name of Counterparty: Geysers Power Company, LLC

Name of Facility:

Renewable Energy Contract and Capacity Contract facilities:

Table 1	
Name of Facility	CEC RPS ID
Aidlin Power Plant	60115A
Sonoma Power Plant	60010A
Geysers Units 5&6	60002A
Geysers Units 7&8	60003A
Geysers Unit 11	60025A
Geysers Unit 12	60004A
Geysers Unit 13	60005A
Geysers Unit 14	60026A
Geysers Unit 16	60006A
Geysers Unit 17	60007A
Geysers Unit 18	60008A
Calistoga Power Plant	60117A
Geysers Unit 20	60009A

CALIFORNIA ENERGY COMMISSION
EMISSION PERFORMANCE STANDARD COMPLIANCE FILING

Capacity Contract only: In addition to the resources, above, the Facility below may be used to provide Alternate Capacity only, under limited circumstances, as described more fully herein:

Table 2				
Name of Facility	CAISO Resource ID	2020 Emissions Factors		
		mtons	Net mwh	Lbs/mwh
Delta Energy Center	DELTA_2_PL1X4	1,497,819	3,860,249	855

Location of Facility: Geothermal (Renewable Energy and Capacity Contracts): Lake County and Sonoma County. Natural Gas (Capacity Contract only): Contra Costa County

Technology/Fuel: Geothermal (Renewable Energy and Capacity Contracts); Natural Gas (Capacity Contract only)

Nameplate Capacity of Facility: Total of 13 geothermal generating units with a portfolio nameplate capacity of 725MW. Additionally, under the Capacity Contract, 880 MW natural gas, combined cycle co-generation facility.

Product Description: Generation portfolio, Baseload

Substitute energy allowed: No substitute energy/product allowed under the Renewable Energy Contract; substitute capacity/product allowed with the Capacity Contract under certain circumstances (see explanation below)

Delivery Start Date-Delivery End Date: January 1, 2023 – December 31, 2032.

Further description of technology, if necessary:

None

Further description of facility output profile, if necessary:

None

Description of contract terms related to the provision of substitute energy, if necessary:

Under the Renewable Energy Contract, substitute energy/product is not allowed unless the contract is amended and the CEC approves a subsequent Emission Performance Standard filing for the new facility(ies).

Under the Capacity Contract, substitute capacity/product is not allowed unless the specified renewable geothermal units identified in Table 1 are unavailable due to a forced outage, scheduled maintenance or other temporary unavailability for operational or efficiency reasons. Under such circumstances, the Seller may provide substitute capacity/product (referred to in the contract as Alternate Capacity) from:

CALIFORNIA ENERGY COMMISSION
EMISSION PERFORMANCE STANDARD COMPLIANCE FILING

(1) the Delta Energy Center (Table 2, above), a specified, EPS Compliant Source, consistent with Title 20, California Code of Regulations, Section 2906(b)(1); or

(2) unspecified sources, but in an amount not to exceed 15% of the forecasted capacity/product to be delivered over the entire term of the contract, and only when the specified units (identified in Table 1, above) are unavailable due to a forced outage, scheduled maintenance or other temporary unavailability for operational or efficiency reasons, consistent with Title 20, California Code of Regulations, Section 2906(b)(2). No other substitute capacity/product is allowed under the Capacity Contract unless the contract is amended and the CEC approves a subsequent Emission Performance Standard filing for the new facility(ies).

Description of other relevant contract terms:

SMUD has contracted for 100 MW of energy, environmental attributes (including renewable energy credits), and resource adequacy capacity from the portfolio of facilities.

CALIFORNIA ENERGY COMMISSION
EMISSION PERFORMANCE STANDARD COMPLIANCE FILING
COMPLIANCE FILING ATTESTATION

I, the official named below, certify under penalty of perjury, the following:

1. I am an agent of the Sacramento Municipal Utility District (SMUD) authorized by its governing board to sign this attestation on its behalf;
2. The SMUD Board of Directors has reviewed and approved in a public meeting both the covered procurement and the compliance filing described above;
3. Based on the SMUD Board of Director's knowledge, information, and belief, the compliance filing does not contain a material misstatement or omission of fact;
4. Based on the SMUD Board of Director's knowledge, information, or belief, the covered procurement complies with Title 20, Division 2, Chapter 11, Article 1 of the California Code of Regulations; and
5. The covered procurement contains contractual terms or conditions specifying that the contract or commitment is void and all energy/product deliveries shall be terminated no later than the effective date of any Commission decision pursuant to Title 20, California Code of Regulations, section 2910, that the covered procurement fails to comply with Title 20, Division 2, Chapter 11, Article 1, of the California Code of Regulations.

Sacramento Municipal Utility District

By: _____
Paul Lau, CEO & General Manager

Date: March __, 2022

President Rose then turned to agenda item 13, statements from the public regarding items not on the agenda. He stated that in accordance with the Emergency Board Meeting Procedures, public comment for items not on the agenda would be provided to the Board electronically and placed into the record if received within two hours after the meeting ended.

No comments were received for items not on the agenda.

President Rose then turned to Directors' Reports.

Director Fishman reported on his attendance at the 2022 Power Conference hosted by the UC Berkeley Haas School of Business and the Energy Institute at Haas.

Director Kerth reported on his attendance at the American Public Power Association (APPA) Legislative Rally where he had the pleasure of meeting again with Congressman Garamendi who has been very helpful to SMUD with regard to the Solano Wind Farm. He then reported on his work, along with Directors Herber and Tamayo, on the development of SMUD's Land Acknowledgement Statement, where they were having a series of educational meetings. He reported on his attendance at the Hanami Line Reception offered by Ray and Judy Tretheway that is a riverfront development that will acknowledge Japanese heritage in our region. He thanked staff for the report on the 2030 Zero Carbon Plan as well as the safety report. He closed by thanking retiring Chief Diversity Officer Gary King for his years of service to SMUD and the community.

Director Tamayo thanked staff and Calvin Hedrick for the education provided for development of SMUD's Land Acknowledgement Statement. He then reported on several meeting pertaining to Environmental Justice, include the Valley Vision Town Hall on Environmental Justice and Air Quality, his meeting with the United Latinos, his meeting with a representative from a statewide organization called Climate Plan, his meeting with the Sacramento Environmental Justice Coalition, and his meeting with a representative from the Wellstone Progressive Democrats of Sacramento. He thanked staff for their report and work on the 2030 Zero Carbon Plan. He then reported on his

participation in a tree planting at the St. Rose Parish as well as the re-opening of a grocery store, Rancho San Miguel, in Oak Park. He also reported on his attendance at the groundbreaking ceremony for an affordable housing development called Cornerstone, which is a joint project between Habitat for Humanity and Mutual Housing California. He closed by reporting on his attendance at the Salute with Honor and Respect: Black History Month for Black veterans at the Sam and Bonnie Pannell Community Center and expressed his thanks to veterans.

Vice President Sanborn reported on her attendance at the APPA Legislative Rally where she met with Congressman Ami Bera. She then reported on a presentation she made to the Carmichael Chamber of Commerce on the 2030 Zero Carbon Plan and various available rebates. She thanked Gary King for his service and work at SMUD. She then thanked staff for the report on the 2030 Zero Carbon Plan and all of their work that had gone into it. She closed by acknowledging that Russia had invading Ukraine and stated her support for Ukraine.

Director Bui-Thompson thanked staff for their work on the 2030 Zero Carbon Plan and work across the organization. She congratulated and thanked Gary King for his service.

President Rose reported on his attendance at the APPA Legislative Rally where he and others had met with congressional representatives on various matters, including the issue of tax credits, for SMUD. He then reported on his attendance at a luncheon at the El Dorado County Chamber Commerce, and his speaking engagement at the State of the Downtown in Sacramento as well as his attendance at the State of the City of Folsom. He then reported on his attendance, along with Director Tamayo, at the Valley Vision Clean Air Workshop. He congratulated Gary King on his upcoming retirement. He closed by stating he echoed Vice President Sanborn's statement on Ukraine.

Paul Lau, Chief Executive Officer and General Manager, reported on the following items:

1) Women's History Month. As you know, March is Women's History Month, and we appreciate the contributions women make at SMUD, and in our lives, every day. We show our support in many ways. For example, we co-sponsored the Sacramento Kings Women's History Month celebration, which continues through the end of the month. Our Chief Zero Carbon Officer, Lora Anguay, was recently the focus of a Women in Leadership story in *Comstock's* magazine. Her story should inspire women, and everyone, to reach for the stars and don't let anything hold you back. Congratulations, Lora! A couple of weeks ago, 21 SMUD employees, including Chief Financial Officer Jennifer Davidson and Chief Customer Officer Brandy Bolden, participated in the kickoff for the Habitat for Humanity Women Build. They were part of an all-female volunteer crew. They worked for six hours on two homes that will be available for Habitat for Humanity applicants. We were a major sponsor for this event. It brought together hundreds of women to address the housing crisis affecting many families in Sacramento and Yolo Counties. Women Build promotes empowerment, solidarity, learning, and pride in our community.

2) California Mobility Center. As a national leader in encouraging electric vehicle use, we helped create and were a founding member of the California Mobility Center in Sacramento known as the CMC. It's hard to believe, but it's been a year since the CMC opened its doors. And as many of you know, the CMC is celebrating its one-year anniversary today, and I am happy to report that President Rose will be speaking at this afternoon's event as part of the CMC's "Drive to Success" Showcase that begins this afternoon. They have a lot to celebrate. For example, in just one year, the CMC has signed:

- 40 members from across the world
- 18 clients
- And six preferred service providers

They've also attracted significant funding to support workforce development programs, with a focus on historically underserved and under-resourced communities. They've also helped connect businesses like SMUD with companies like Zeus, and we're excited to welcome five all-electric trucks into our Fleet this year thanks to the CMC. Congratulations to the whole CMC team.

3) J.D. Power Certified Sustainability Designation. We're also getting attention for being a leader in sustainability. SMUD was recently presented with the first-ever J.D. Power Certified Sustainability designation. We tied NextEra Energy for first place in the country with a Sustainability Index score of 33. Thanks to our track record in environmental leadership, our great customer service, and vision for a carbon-free power supply by 2030, we became the first utility to receive this certification. It's a great honor for SMUD. It says a lot about the work we do in providing reliable, affordable, and environmentally-responsible power to our customers and community. And, speaking of the latest J.D. Power survey, once again, we placed first in California for overall residential and commercial customer satisfaction. We were also the top performer in the country for keeping business customers informed about outages.

4) Board Video. This morning's Board video is about an electric vehicle (EV) customer who "Joined the charge" in support of our Zero Carbon Plan.

Before concluding his report, Mr. Lau thanked staff for their extraordinary work on the 2030 Zero Carbon Plan as well as their day-to-day

work. He also thanked the Board for their outreach work in attending and presenting at Chamber meetings and engaging the public. He closed by congratulating Mr. King, with whom he had worked for over two decades.

President Rose asked Mr. King if he would like to make any comments.

Mr. King thanked Mr. Lau and the Board and noted that he had been fortunate to work at SMUD for the past 24 years. He stated he was proud to be a part of SMUD and thankful for the many opportunities to contribute to the community. He closed by commending the Board on their policy governance model and how their interaction with staff through that model continues to be an example for the industry.

President Rose requested the Summary of Board Direction, but there were no items.

No further business appearing, President Rose adjourned the meeting at 9:49 a.m.

Approved:

President

Assistant Secretary

Sacramento, California

April 13, 2022

The Board of Directors of the Sacramento Municipal Utility District met in special session concurrently with the Board Policy Committee via virtual meeting (online) at 5:30 p.m.

Roll Call:

Presiding: Dave Tamayo,
Chair of the Policy Committee

Present: Directors Rose (5:56 p.m.), Fishman, Herber,
Kerth, and Sanborn

Absent: Director Bui-Thompson

Present also were Paul Lau, Chief Executive Officer and General Manager; Steve Lins, Deputy General Counsel and Assistant Secretary, and members of SMUD's executive management; and SMUD employees and visitors.

Committee Chair Tamayo turned to Discussion Calendar Item 1, to make findings pursuant to Government Code section 54953(e) to continue holding meetings virtually during proclaimed state of emergency (recurring item, every 30 days). He asked Deputy General Counsel Lins to provide a brief explanation of the item.

Deputy General Counsel Lins stated that current state law allows local agencies to continue to meet remotely due to COVID so long as a couple of conditions are still met – one being there is a declared state of emergency and the other is that the local governing body make findings that there are health risks associated with meeting in-person. He confirmed that the state of emergency was still in effect, and as of March 30, 2022, the Sacramento County Department of Health indicated a COVID case rate of 3.9% and 12 deaths since the last update. He stated that SMUD had just recently started to phase staff back on-site. He stated that staff's recommendation was to continue operating remotely due to these considerations, and staff would continue to monitor developments so that the Board could revisit the item. He stated the item would also be placed on the consent calendar for the April 21, 2022, Board meeting.

No public comment was forthcoming on Discussion Calendar Item 1.

After some discussion, Vice President Sanborn moved for approval of Discussion Calendar Item 1, Director Fishman seconded, and Resolution No. 22-04-01 was approved by a vote of 5-0, with President Rose and Director Bui-Thompson absent.

RESOLUTION NO. 22-04-01

WHEREAS, SMUD is committed to preserving public access and participation in meetings of the Board of Directors and to the safety of meeting attendees; and

WHEREAS, all meetings of the Board of Directors are open and public, as required by the Ralph M. Brown Act (Gov't Code, §§ 54950-54963) ("Brown Act"), so that any member of the public may attend, participate in, and watch SMUD's governing body conduct its business; and

WHEREAS, the newly enacted Government Code section 54953(e) authorizes a local agency's governing body, during a proclaimed state of emergency, to participate in its public meetings using remote teleconferencing without compliance with the requirements of Government Code section 54953(b)(3), under specified conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, another condition is that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body determines that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, on February 28, 2022, the California Department of Public Health rescinded the mask requirement effective March 1, 2022, for all individuals regardless of vaccination status and instead issued a strong recommendation that all persons, regardless of vaccine status, continue indoor masking; and

WHEREAS, the Sacramento County Department of Public Health on its Epidemiology COVID-19 Dashboard continues to show elevated case and death data; and

WHEREAS, the California Department of Industrial Relations, Division of Occupational Safety and Health (Cal/OSHA) continues to maintain some COVID-19 protocols for workplaces, including outbreak reporting; and

WHEREAS, SMUD is incrementally reintroducing staff to its administrative buildings, staff infections continue to be reported with some consistency, and, under the current schedule, the majority will not return to working on-site until August or September 2022; and

WHEREAS, SMUD Board and Committee meetings can last as long as four hours, with participants sitting in the same room sharing air the entire time; and

WHEREAS, it would be impractical for SMUD to take steps necessary to prevent imminent risks to the health and safety of attendees, such as by holding public meetings outdoors, ensuring public meeting attendees are vaccinated, have appropriate face coverings, and wear them consistent with public health guidance; and

WHEREAS, all meetings, agendas, meeting dates, times, and manner in which the public may participate in the public meetings of the SMUD Board and offer public comment by telephone or internet-based service options including video conference are posted on the SMUD website and physically outside of SMUD's Headquarters Building; and

WHEREAS, by Resolution No. 21-10-01 adopted on October 12, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 21-10-03 adopted on October 21, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 21-11-05 adopted on November 18, 2021, this Board made findings that requisite conditions exist for the SMUD

Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 21-12-04 adopted on December 9, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-03-01 adopted on March 8, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-03-03 adopted on March 17, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; **NOW, THEREFORE**,

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

Section 1. Risks to Health and Safety of Attendees. The Board has reconsidered the circumstances of the state of emergency and hereby finds that the state of emergency continues to directly impact the ability of the members to meet safely in person and holding SMUD Board meetings in person would present imminent risks to the health and safety of attendees.

Section 2. Remote Teleconference Meetings. SMUD staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with section 54953(e) and other applicable provisions of the Brown Act.

Section 3. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) May 13, 2022, or (ii) such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend

the time during which the SMUD Board may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

Approved: April 13, 2022

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

Committee Chair Tamayo then turned to Agenda Item 2, Board Monitoring of Governance Process GP-1, Purpose of Board; Governance Process GP-3, Board Job Description; and Governance Process GP-7, Guidelines for Board Member Behavior.

Committee Chair Tamayo provided a presentation on Agenda Item 2, which incorporated written responses to surveys previously circulated to the Board regarding the policies, and led discussion on the same. A copy of the slides used in his presentation is attached to these minutes.

No public comment was received for Agenda Item 2.

Committee Chair Tamayo then turned to Agenda Item 3, Board Work Plan.

President Rose provided a presentation on the Board Work Plan and led discussion regarding the same. A copy of the slides used in his presentation is attached to these minutes.

No public comment was received for Agenda Item 3.

Committee Chair Tamayo then turned to Agenda Item 4, statements from the public regarding items not on the agenda, but none were forthcoming. He stated that written comments received on items not on the agenda would be provided to the Board electronically and placed into the record if received within two hours after the meeting ended. No comments were received for Agenda Item 4.

Committee Chair Tamayo requested the Summary of Committee Direction.

Deputy General Counsel Lins provided the following summary:

- Staff would communicate to Board Consultant Eric Douglas that there may be a desire to modify the language of Governance Process GP-1 e) to change “when” to “if.”
- Mr. Lau to work with President Rose on the July Board Work Plan schedule.

- Mr. Lau to schedule the Board Parking Lot presentation item regarding Mitigation of Impact of Power Poles in the Sidewalk.

No further business appearing, Committee Chair Tamayo adjourned the meeting at 6:31 p.m.

Approved:

Committee Chair

Assistant Secretary

Exhibit to Agenda Item #2

Board Monitoring: Governance Process GP-1, Purpose of Board; Governance Process GP-3, Board Job Description; and Governance Process GP-7, Guidelines for Board Member Behavior.

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, April 13, 2022, scheduled to begin at 5:30 p.m.
Virtual Meeting (online)

GP-1 Purpose of the Board

6 Board Members responded to the survey

The Board is the legislative body of the Sacramento Municipal Utility District. It operates under the provisions of the Municipal Utility District Act of the State of California (the MUD Act) and all other applicable statutes and laws. The purpose of the Board of Directors is to identify and define the purpose, values and vision of SMUD and communicate them in the form of policy.

Compliance Scores:

High 5

Med 1

Low

Comment:

(We) need to re focus on policy level discussion and direction to staff. We ve been getting too much into the weeds on occasion. DT

b) Identify and define those quantitative and qualitative results or conditions of SMUD that are acceptable and not acceptable to the Board and communicate them in the form of policy.

Compliance Scores:

High 5

Med 1

Low

Comment:

We sometimes express our opinions on operational matters. DT

c) Monitor the organization s performance against the results that the Board has established for SMUD.

Compliance Scores:

High 5

Med 1

Low

Comments:

There are SO MANY areas that can be reported on. The Board should have a say about how they would like the information presented and what areas to be covered. RH

I would consider changing the word results to goals but...not imperative. GF

d) Make certain operational decisions as designated by law.

Compliance Scores:

High 6

Med

Low

e) Hire, evaluate and, when necessary, discharge the CEO/General Manager.

Compliance Scores:

High 6

Med

Low

Comment:

I would consider changing "when to if" "when" makes it sound inevitable. GF

GP-3 Board Job Description

6 Board Members responded to the survey

The specific job duty of Board members as elected representatives is to ensure appropriate organizational performance. Specifically, the Board shall produce and maintain written policies that ensure high quality of governance and clear roles in decision making between Board and staff.

Compliance Scores:

High 6

Med

Low

- b) Regularly monitor and evaluate the performance of the CEO/General Manager.
- c) Seek to understand the strategic viewpoints and values of our customers, owners, the community and other interested stakeholders.

Compliance Scores:

High 6

Med

Low

- d) Develop and adopt Strategic Direction policies for SMUD that define the outcomes the Board wants SMUD to achieve and refine those Directions as conditions warrant while recognizing the importance of providing predictable policy direction to the CEO/General Manager and staff.
- e) Review the Strategic Directions regularly, on the timetable specified in each policy, and communicate to the CEO/General Manager whether the Board finds SMUD to be in compliance. For the purpose of this policy, compliance is defined as substantially meeting the requirements of the Strategic Direction.

Compliance Scores:

High 6

Med

Low

- f) Adopt the SMUD budget on an annual basis.

- g) Serve as ambassadors for SMUD and build relationships throughout SMUD's service territory and the region.

Compliance Scores:

High 6

Med

Low

Comment:

Relationships with whom? I think we all know what this means, but should it be spelled out more? GF

- h) Contract with an external independent auditor to audit SMUD's finances and procedures; such audits are to be performed on an annual basis.
- i) Set the rates, rules and regulations for services and commodities provided by SMUD.
- j) Take such other actions as may be required by law.

Compliance Scores:

High 6

Med

Low

GP-7 Guidelines for Board Member Behavior

6 Board Members responded to the survey

The Board and its members should act in an ethical, businesslike, productive, and lawful manner. Board members should avoid even the appearance of impropriety to ensure and maintain public confidence in SMUD. Specifically:

a) Board members shall conduct themselves in accordance with all laws.

Compliance Scores:

High 6
Med
Low

b) Board members should conduct themselves with civility and respect at all times with one another, with staff, and with members of the public.

Compliance Scores:

High 5
Med 1
Low

c) Board members are expected to demonstrate loyalty to the interests of SMUD owners and ratepayers. This supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the organization's activities.

d) Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.

i) Board members should recognize the lack of authority vested in them as individuals in their interactions with the CEO/General Manager or with staff, except where explicitly Board authorized.

ii) In their interactions with the public, press or other entities, Board members should recognize the same limitation and the inability of any Board member to speak for the Board or for other Board members except to repeat explicitly stated Board decisions.

Compliance Scores:

High 5

Med 1

Low

Comment:

Here be sinful temptations.... RK

- e) Board members shall at all times endeavor to express their individual opinions in a responsible manner, without causing harm to SMUD, to SMUD's owners and customers, or to other Board members and staff.
- i) Each member of the Board is expected to support the Board's decision making authority, irrespective of the member's personal position.
- ii) Board members retain the right to criticize the decisions of SMUD, but in doing so should make it clear that it is their opinion, and not the opinion of the Board or other Board members, and so long as it complies with the limitations set forth in these policies. Board members are encouraged to notify the CEO/General Manager in advance when they plan to speak publicly in opposition to SMUD decisions and policies.

Compliance Scores:

High 6

Med

Low

- f) Members should prepare themselves for Board deliberations.
- g) Board members shall discourage former Board members from attempting to influence the Board, individual Board members or staff, on behalf of any third party (other than a governmental entity) from whom the former Board member is receiving compensation, on any matter that the former Board member substantially participated in during his or her tenure with the Board. This provision shall not apply to:
 - (i) communications by a former Board member acting in his or her capacity as an individual or customer and for which the Board member receives no compensation; or
 - (ii) communications with a former Board member who has not been a Board member for more than two years.

Compliance Scores:

High 6

Med

Low

Exhibit to Agenda Item #3

Board Work Plan.

Board Policy Committee and Special SMUD Board of Directors Meeting
Wednesday, April 13, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Work Plan

Committee Date	Committee	Subject	Presenter
19-Apr	FINANCE & AUDIT	Finance Statements	L. Limcaco
	5:30pm	Audit Questions	C. Rogers
		Power Supply Costs	L. Limcaco
		Ice House Campground Improvement	J. Ledesma
		Brown & Caldwell Contract Change Order	P. Durham
		Solano Construction and O & M	J. Ledesma
20-Apr	ERCS	59 th Street Demolition and Remediation Project ISMND	P. Durham
21-Apr	BOARD		
	5:30pm		
10-May	STRATEGIC	Fleet End of Life Strategy	C. Fallon
	5:30pm		

11-May	POLICY	SD-8 Employee Relations Monitoring Report	L. Rodriguez
	5:30pm	SD-12 Ethics Monitoring Report	L. Rodriguez
		SD-19 Diversified Business Monitoring Report	M. Rawson
		Board Policy Review:	D. Tamayo
		GP-2 Governance Focus;	
		GP-4 Board/Committee Work Plan and Agenda Planning;	
		GP-13 Core and Key Values	
		Wildfire Mitigation Plan	M. Veloso-Koenig
		Work Plan	B. Rose
17-May	FINANCE & AUDIT	Finance Statements	L. Limcaco
	5:30pm	Audit Questions	C. Rogers
		Power Supply Costs	L. Limcaco
		Enterprise Risk Management Update	T. Hoang
		1st Quarter Procurement Report	C. Fallon
		Call Election for Wards 3, 4, 6 & 7	L. Lewis
18-May	ERCS	Resource Adequacy and Reliability Reporting	J. Olson
	5:30pm		

19-May	BOARD		
	5:30pm		
7-Jun	STRATEGIC	Green Hydrogen / Biofuel Update	L. Anguay
	5:30pm		
8-Jun	POLICY	SD-4 Reliability Monitoring Report	M. Veloso-Koenig
	5:30pm	Board Policy Review:	D. Tamayo
		GP-8 Board Committee Principles;	
		GP-12 Board Compensation & Benefits	
		Work Plan	B. Rose
14-Jun	FINANCE & AUDIT	Finance Statements	L. Limcaco
	5:30pm	Audit Questions	C. Rogers
		Power Supply Costs	L. Limcaco
		Enterprise Risk Management Update	T. Hoang
15-Jun	ERCS	CEC IRP Regulatory Filing	B. Swann
	5:30pm	CEC RPS Procurement Plan Regulatory Filing	B. Swann
		CEC RPS Enforcement/ Compliance Plan Reg Filing	B. Swann

16-Jun	BOARD		
	5:30pm		
19-Jul	FINANCE & AUDIT	Finance Statements	L. Limcaco
	5:30pm	Audit Questions	C. Rogers
		Power Supply Costs	L. Limcaco
		Enterprise Risk Management Update	T. Hoang
	ERCS		
	to follow		
20-Jul	POLICY	SD-13 Economic Development Monitoring Report	J. Bodipo-Memba
	5:30pm	SD-14 System Enhancement Monitoring Report	M. Veloso-Koenig
		Board Policy Review:	D. Tamayo
		GP-10 Board Training & Orientation;	
		GP-15 Board Travel	
		Work Plan	B. Rose
21-Jul	BOARD		
	5:30pm		

9-Aug	STRATEGIC		
	5:30pm		
10-Aug	POLICY	SD-5 Customer Relations	T. Carlson
	5:30pm	SD-15 Outreach and Communications Monitoring Report	T. Jas
		Board Policy Review:	D. Tamayo
		GP-11 Board Review of Internal Records;	
		GP-14 External Auditor Relationship;	
		BL-5 Unity of Control	
		Work Plan	B. Rose
16-Aug	FINANCE & AUDIT	Finance Statements	L. Limcaco
	5:30pm	Audit Questions	C. Rogers
		Power Supply Costs	L. Limcaco
		Enterprise Risk Management Update	T. Hoang
		2nd Quarter Procurement Report	C. Fallon
17-Aug	ERCS		
	5:30pm		
18-Aug	BOARD		
	5:30pm		

Parking Lot

Presentations:

Staff will provide some options to the Board about mitigating the impact of power poles located in the sidewalk.

Technological breakthroughs that make fusion energy much more viable

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Policy – 04/13/22
Board Meeting Date
April 13, 2022 (Special)
April 21, 2022

TO				TO			
1.	Jennifer Davidson	6.					
2.	Brandy Bolden	7.					
3.	Farres Everly	8.					
4.		9.	Legal				
5.		10.	CEO & General Manager				
Consent Calendar <input checked="" type="checkbox"/> Yes <input checked="" 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>					
FROM (IPR) Joe Schofield		DEPARTMENT Legal Department					
		MAIL STOP B406	EXT. 5446				
		DATE SENT 02/23/22					

NARRATIVE:

Requested Action: Make determination pursuant to Government Code section 54953(e) to continue meetings via virtual (online/teleconference) meeting for the next 30 days.

Summary: Pursuant to Executive Order N-29-20 issued on March 17, 2020, and Executive Order N-35-20 issued on March 21, 2020, as well as the Emergency Board Meeting Procedures adopted by this Board via Resolution No. 20-06-08 on June 18, 2020, this Board has conducted regular Board meetings and other public meetings via remote (online/teleconference) meetings.

On September 16, 2021, Governor Newsom signed Assembly Bill 361 (AB 361), which became effective immediately upon signature, containing language that eased Brown Act requirements to allow local agencies to meet remotely. AB 361 allows meetings to continue to be conducted by teleconference, similar to the process used during the current COVID-19 pandemic, but only when there is a declared state of emergency when the local governing body makes findings that there are imminent health risks to meeting in person.

On February 25, 2022, Executive Order N-04-22 was issued leaving the California State of Emergency due to the threat of COVID-19 in effect for the foreseeable future. Though the State of Emergency remains in effect, mask mandates have been dropped locally and at the State level.

Nonetheless, CAL/OSHA continues to maintain some COVID-19 protocols for workplaces, including outbreak reporting; SMUD staff continue to report COVID-19 infections, though at a decreasing rate; the lack of a requirement to sign in at SMUD Board meetings with contact information could make contact tracing nearly impossible; and the most recently reported COVID-19 data published on March 30, 2022, by the Sacramento County Department of Public Health on its Epidemiology COVID-19 Dashboard indicated a local COVID-19 case rate of 3.9% and 12 deaths since the last update. A large percentage of SMUD staff are still working remotely while reentry protocols are being employed to ensure people can be brought back incrementally in a manner that is protective of employee health.

Moreover, when SMUD Board and Committee meetings were held in person, they could last as long as four hours with all participants in a single room. And although we could space out participants, they would still be breathing one another's respirated air for what could be a lengthy period.

By Resolution 21-10-01 adopted on October 12, 2021, Resolution No. 21-10-03 adopted on October 21, 2021, Resolution No. 21-11-05 adopted on November 18, 2021, Resolution No. 21-12-04 adopted on December 9, 2021, Resolution No. 22-03-01 adopted on March 8, 2022, and Resolution No. 22-03-03 adopted on March 17, 2022, this Board has previously made findings to continue to hold regular Board meetings and other public meetings via solely virtual (online/teleconference) format.

Staff's recommendation is to continue to hold regular Board meetings and other public meetings via solely virtual (online/teleconference) meeting and continue to monitor developments related to the COVID-19

pandemic. Pursuant to Government Code section 54953(e), this Board must make findings every 30 days that conditions warrant continuing to meet virtually instead of in-person.

Board Policy: Governance Process GP-3, Board Job Description – j) Take such other actions as may be required by law.
(Number & Title)

Benefits: Making the determination to continue remote meetings will allow for efficient conduct of SMUD business.

Cost/Budgeted: Contained in Business Unit budget for internal labor.

Alternatives: Take no action and comply with all original Brown Act requirements.

Affected Parties: SMUD, Board of Directors, Public

Coordination: Executive Office, Board Office, Legal Department, Information Technology, Communications

Presenter: Steve Lins, Deputy General Counsel

Additional Links:

SUBJECT

Make Findings to Continue Online/Teleconference Meetings

ITEM NO. (FOR LEGAL USE ONLY)

6

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

RESOLUTION NO. _____

WHEREAS, SMUD is committed to preserving public access and participation in meetings of the Board of Directors and to the safety of meeting attendees; and

WHEREAS, all meetings of the Board of Directors are open and public, as required by the Ralph M. Brown Act (Gov't Code, §§ 5495054963) ("Brown Act"), so that any member of the public may attend, participate in, and watch SMUD's governing body conduct its business; and

WHEREAS, the newly enacted Government Code section 54953(e) authorizes a local agency's governing body, during a proclaimed state of emergency, to participate in its public meetings using remote teleconferencing without compliance with the requirements of Government Code section 54953(b)(3), under specified conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, another condition is that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body determines that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, on February 28, 2022, the California Department of Public Health rescinded the mask requirement effective March 1, 2022, for all individuals

regardless of vaccination status and instead issued a strong recommendation that all persons, regardless of vaccine status, continue indoor masking; and

WHEREAS, the Sacramento County Department of Public Health on its Epidemiology COVID-19 Dashboard continues to show elevated case and death data; and

WHEREAS, the California Department of Industrial Relations, Division of Occupational Safety and Health (Cal/OSHA) continues to maintain some COVID-19 protocols for workplaces, including outbreak reporting; and

WHEREAS, SMUD is incrementally reintroducing staff to its administrative buildings, staff infections continue to be reported with some consistency, and, under the current schedule, the majority will not return to working on-site until August or September 2022; and

WHEREAS, SMUD Board and Committee meetings can last as long as four hours, with participants sitting in the same room sharing air the entire time; and

WHEREAS, it would be impractical for SMUD to take steps necessary to prevent imminent risks to the health and safety of attendees, such as by holding public meetings outdoors, ensuring public meeting attendees are vaccinated, have appropriate face coverings, and wear them consistent with public health guidance; and

WHEREAS, all meetings, agendas, meeting dates, times, and manner in which the public may participate in the public meetings of the SMUD Board and offer public comment by telephone or internet-based service options including video conference are posted on the SMUD website and physically outside of SMUD's Headquarters Building; and

WHEREAS, by Resolution No. 21-10-01 adopted on October 12, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct

remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 21-10-03 adopted on October 21, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 21-11-05 adopted on November 18, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 21-12-04 adopted on December 9, 2021, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-03-01 adopted on March 8, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-03-03 adopted on March 17, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, by Resolution No. 22-04-01 adopted on April 13, 2022, this Board made findings that requisite conditions exist for the SMUD Board to conduct

remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; **NOW, THEREFORE,**

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

Section 1. Risks to Health and Safety of Attendees. The Board has reconsidered the circumstances of the state of emergency and hereby finds that the state of emergency continues to directly impact the ability of the members to meet safely in person and holding SMUD Board meetings in person would present imminent risks to the health and safety of attendees.

Section 2. Remote Teleconference Meetings. SMUD staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with section 54953(e) and other applicable provisions of the Brown Act.

Section 3. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) May 21, 2022, or (ii) such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the SMUD Board may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

SSS No.
SCS 22-080

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit - 04/19/22
Board Meeting Date April 21, 2022

TO				TO							
1.	Tasha Crawford			6.	Jennifer Davidson						
2.	Robert Adams			7.	Lora Anguay						
3.	Casey Fallon			8.	Scott Martin						
4.	Patrick Durham			9.	Legal						
5.	Attila Miszt			10.	CEO & General Manager						
Consent Calendar		X	Yes	No If no, schedule a dry run presentation.		Budgeted		X	Yes	No (If no, explain in Cost/Budgeted section.)	
FROM (IPR) Dan Manfredi				DEPARTMENT Supply Chain				MAIL STOP EA404		EXT. 6283	
								DATE SENT 3/29/2022			

NARRATIVE:

Requested Action: Approve Contract Change No.03 to Contract No. 4500114920 with Brown & Caldwell for Kramer Site Environmental Investigation, Remediation, Observation and Monitoring Services to increase the contract not-to-exceed amount by \$1,400,000 from \$1,900,000 to \$3,300,000.

Summary: When SMUD first acquired the Former Community Linen Property (also referenced as the Former Kramer Carton Property), initial environmental investigations led to the discovery of subsurface contamination resulting from a dry-cleaning operation that formerly took place at the site. In order to further investigate the extent of subsurface contamination and start the cleaning process, SMUD and Brown & Caldwell entered into Contract No. 4500114920, dated March 19, 2019, with terms that included a maximum value of \$1.9 million and an end date of March 17, 2024. The contracted scope of work (SOW) included Site investigation, remedial design, remedial construction, routine operation and monitoring (O&M), groundwater/soil vapor monitoring, and reporting for the Former Community Linen project, up to the contract end date. Since the start of the project, Brown & Caldwell has performed routine groundwater /soil vapor monitoring, conducted a shallow subsurface investigation, completed a remedial feasibility and pilot study, prepared remedial action and remedial implementation plans, completed the permitting and implementation of groundwater amendment injections, and has started the installation of the soil vapor extraction system. However, since contract execution, the original scope of the project has greatly increased. Below is a summary of the out-of-scope changes that have occurred:

- Change in regulatory screening levels for soil vapor resulting in additional evaluation, off-site investigation activities, risk evaluation, and regulatory meetings/negotiations.
- Discovery of contamination in the deep groundwater aquifer (85 feet below surface) which required additional off-site well installation, geophysical investigation, and sample collection/reporting.
- Installation of additional soil vapor and groundwater monitoring wells.
- Additional sampling of new soil vapor and groundwater monitoring wells.
- Offsite residential soil vapor investigation and coordination with residents.
- Increases in project management for meetings and increased scope of work.
- Increased effort for the groundwater and soil vapor remedies due to changes with permitting requirements, COVID sicknesses, cost of labor and materials increases, unforeseen drilling difficulties, increased injection interval and number of injections, increased contracting effort for soil vapor extraction remediation work.

Due to the scope of work changes, the original contract amount of \$1.9 million will not be sufficient to complete the SOW before the contract end date. Currently, SMUD has authorized nearly all the \$1.9 million budget. The work authorized includes soil vapor extraction (SVE) system installation, initial groundwater amendment injections, limited indoor air sampling and reporting for one property, and routine groundwater and soil vapor monitoring through 2022. The additional \$1.4 million will support the following future tasks under this contract, which includes:

- Additional Deep Aquifer Investigation Activities
- Continued routine Soil Vapor and Groundwater Monitoring for 2023 and January through March 2024
- Additional Groundwater Remediation Injection Events
- SVE System O&M for 2023 and January through March 2024

Currently, the contract balance is approximately \$25,000.

Contract Actions	Amount	Cumulative Total	Description
Original Aggregate Amount	\$1,900,000	N/A	New Contract Award
Contract Change No.01	\$0.00	N/A	Add Subcontractor
Contract Change No.02	\$0.00	N/A	Add Subcontractor
Pending Change No. 03	\$1,400,000	\$3,300,000	Increase Funds

Board Policy: Safety Leadership (SD-6) and Environmental Leadership (SD-7)
(Number & Title)

Benefits: The major benefits for extending this contract are as follows:

- Brown & Caldwell has agreed to maintain their current rates since the start of the contract in 2019 through the contract end date of March 2024. They were awarded the original contract because they were the most qualified contractor based on a competitive bid process. If this project goes out for competitive bid and Brown & Caldwell is awarded again, it would be at their current labor rates which have increased since 2019.
- Brown & Caldwell has extensive background knowledge of the project, long-term relationships with regulatory staff, and a thorough understanding of the project to carry it out in the most efficient and cost effective way. If the project goes out again for competitive bid and a new contractor is awarded the contract, a large amount of time and money would be spent bringing the new contractor up to speed on the project.
- Issuing a new solicitation for the remaining work during this phase of the project would result in long delays and potentially regulatory penalties if due dates/milestones were missed as a result.

Cost/Budgeted: \$3,300,000 budgeted for 2019 through March of 2024 by Environmental Services.

Alternatives: Do nothing and receive regulatory penalties from the Regional Water Quality Control Board. Or, put a pause on the project and go through a competitive bid process. Both alternatives would have significant cost impacts to the project and are not favored.

Affected Parties: Environmental Services, Supply Chain Services, and Contractor.

Coordination: Environmental Services and Supply Chain Services.

Presenter: Pat Durham, Director, Environmental & Real Estate Services

Additional Links:

SUBJECT

Contract Change No.03 with Brown & Caldwell

ITEM NO. (FOR LEGAL USE ONLY)

7

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

RESOLUTION NO. _____

WHEREAS, Contract No. 4500114920 with **Brown & Caldwell (B&C)** was awarded on a competitive basis in March 2019 for Kramer Site Environmental Investigation, Remediation, Observation and Monitoring Services during the period March 19, 2019, to March 17, 2024, for a contract not-to-exceed amount of \$1,900,000; and

WHEREAS, Contract Change 1 added a new subcontractor, **Prima Environmental**, to the *Appendix – Designation of Prime Contractor, Subcontractors and Suppliers*; and

WHEREAS, Contract Change 2 added a new subcontractor, **Capitol Barricade**, to the *Appendix – Designation of Prime Contractor, Subcontractors and Suppliers*; and

WHEREAS, since the start of the contract, **B&C** has performed the routine services described in the contract, but the original scope has greatly increased due to, among other things, regulatory changes, discovery of contamination in the deep groundwater aquifer, required additional sampling, coordination with residents, increased project management tasks related to increased scope of work, and additional remedial work due to permitting requirements and COVID delays; and

WHEREAS, additional funds are needed to support future tasks including additional deep water aquifer investigation, continued routine soil vapor and groundwater monitoring, additional groundwater remediation injection events, and soil vapor extraction system operation and monitoring; and

WHEREAS, increasing the contract amount will allow SMUD to move forward without delay and significant costs while securing reduced rates, ensuring continuity, and avoiding potential delays that could result in regulatory penalties; **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 increase the contract not-to-exceed amount for Kramer Site Environmental Investigation, Remediation, Observation and Monitoring Services by \$1.4 million, from \$1.9 million to \$3.3 million, for Contract No. 4500114920 with **Brown & Caldwell**.

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 amount and applicable contingencies.

SSS No.
SCS 22-104

BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date
Finance and Audit - 04/19/22
Board Meeting Date
April 21, 2022

TO				TO			
1.	Jesse Mays			6.	Jennifer Davidson		
2.	Robert Adams			7.	Lora Anguay		
3.	Daniel Stricklin			8.	Scott Martin		
4.	Joel Ledesma			9.	Legal		
5.	Casey Fallon			10.	CEO & General Manager		
Consent Calendar	X	Yes	No If no, schedule a dry run presentation.	Budgeted	X	Yes	No (If no, explain in Cost/Budgeted section.)
FROM (IPR) Doug Moore				DEPARTMENT Supply Chain Services			
				MAIL STOP EA404			
				EXT. 7069			
				DATE SENT 04/07/2022			

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to award a contract to Doug Veerkamp General Engineering, Inc. (DVGE) to provide Construction Services for the Ice House Recreation Area Improvements Project in Crystal Basin region of the Upper American River Project (UARP) for a total contract not-to-exceed amount of \$10,503,605, for a contract term from April 22, 2022 to January 31, 2023.

Summary: Request for Qualifications (RFQ) Doc. 3254475447 was issued in November 2021 to qualify firms to participate in Invitation For Bids (IFB) Doc. 3360703282 to reconstruct and improve the Ice House recreation area as required by USFS 4(e) Condition 45 of the License for the Upper American River Project. SMUD received three (3) proposals in response to the RFQ of which all three (3) proposals were qualified to participate in the IFB issued February 2022. The base scope of work includes demolition, grading, realignment of existing campground loops and spurs, installation of new tables/fire rings/BBQ's, new septic and leech lines, water storage/distribution, lake access trails, installation of a shower building, redesign of the boat ramp parking lot, expansion of the whitewater boating parking lot. The IFB included an optional bid schedule for installation of a new boat-in picnic area. The design/environmental/permitting for this project has received USFS approval. Construction is planned to begin as soon as snowmelt allows in 2022 and is targeted for completion before inclement weather begins toward the end of 2022. In March 2022, SMUD receive three (3) responsive bids. The pricing for the optional bid schedule for the installation of a new boat-in picnic area was competitive and within budget so it has been included in the requested award amount. The results of the bid evaluation and award recommendation is below.

Board Policy: BL-8; Delegation to the Chief Executive Officer and General Manager with Respect to Procurement;
(Number & Title) Procurement principles followed in this award include but are not limited to: a) Competition, d) Inclusiveness, e) Economic Development, f) Environmental Procurement, and g) Responsible Bidder(s).

Recommendation: Award to the lowest responsive, responsible bidder

Award to Highest
Evaluated Responsive
Proposer

Award to:

[Doug Veerkamp General Engineering, Inc.](#)
2585 Cold Springs Road
Placerville, CA 95667

Participants Invited RFQ- Ariba: 9

Bids/Proposals Received IFB: 3

Responsive Bids Received	Bid Amount	SEED Credit	Evaluated Bid Amount	Award Amount	Rank	
Doug Veerkamp Gen Eng., Inc.	\$ 10,314,817	\$ 250,000	\$ 10,064,817	\$ 10,503,605	1	
K.W.Emerson, Inc.	\$ 11,206,236	\$ 7,620	\$ 11,198,616		2	
Burdick Excavating, Inc.	\$ 12,148,829	\$ 90,995	\$ 12,057,834		3	

SEED Program:

The lowest, responsible, and responsive bidder, Doug Veerkamp General Engineering, Inc., is self-performing 80.24% of this work. Through outreach efforts, DVGE was able to subcontract with SEED verified subcontractors/vendors for 19.76% of their contract.

Benefits: Completion of a major project that is a requirement/condition for compliance with the operating License for the UARP.

Cost/Budgeted: \$10,503,605. Budgeted for 2022 through 1/31/2023 by Power Generation, Cost Center 463

Alternatives: This Project is a UARP License Compliance Requirement.

Affected Parties: Power Generation, Supply Chain Services, and US Forest Service

Coordination: Power Generation and Supply Chain Services

Presenter: Joel Ledesma, Director, Power Generation

Additional Links:

SUBJECT

Award Contract to Doug Veerkamp General Engineering, Inc. to complete the Ice House Recreation Area Improvement Project located in the UARP

ITEM NO. (FOR LEGAL USE ONLY)

8

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

RESOLUTION NO. _____

WHEREAS, the Federal Energy Regulatory Commission (FERC) license for the **Upper American River Project (UARP)** requires SMUD to complete enhancements to recreation areas, including the **Ice House Recreation Area**, in the Crystal Basin Recreation Area; and

WHEREAS, in November 2021, SMUD issued Request for Qualifications (RFQ) Doc3254475447 to qualify firms to participate in the Invitation for Bids (IFB) Doc3360703282 to reconstruct and improve the **Ice House Recreation Area**; 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, **Doug Veerkamp General Engineering, Inc.** is hereby determined and declared to be the lowest responsive bidder to reconstruct and improve the **Ice House Recreation Area**.

Section 2. The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to award a contract to **Doug Veerkamp General Engineering, Inc.** to provide construction services for the **Ice House Recreation Area Improvements Project** in the Crystal Basin region of the **Upper American River Project (UARP)** for a total contract not-to-exceed amount of \$10,503,605, for a contract term from April 22, 2022, to January 31, 2023.

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.
SCS 22-105

BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date Finance & Audit - 04/19/22
Board Meeting Date April 21, 2022

TO					TO				
1.	Jesse Mays				6.	Jennifer Davidson			
2.	Robert Adams				7.	Lora Anguay			
3.	Buck Cutting				8.	Scott Martin			
4.	Joel Ledesma				9.	Legal			
5.	Casey Fallon				10.	CEO & General Manager			

Consent Calendar	X	Yes		No If no, schedule a dry run presentation.	Budgeted	X	Yes		No (If no, explain in Cost/Budgeted section.)	
FROM (IPR) Doug Moore					DEPARTMENT Supply Chain Services			MAIL STOP EA404	EXT. 7069	DATE SENT 04/07/2022

NARRATIVE:

Requested Action: Authorize the Chief Executive Officer and General Manager to finalize and execute two contracts with **Vestas American Wind Technology, Inc. (Vestas AWT)** as follows:

- a. Engineering, Procurement & Construction Services (EPC Services) in connection with development of the 85.5 MW Solano 4 Wind Project (Project) (the EPC Contract), with substantial completion scheduled for May 2024, in an amount not to exceed \$215,458,407; and
- b. Operations and Maintenance Services (O&M Services) in connection with the **Solano 2, Solano 3, and Solano 4** wind assets (the **Solano Wind Assets**) (the **Full-Service O&M Agreement**) for a period of 15 years, with one optional five-year extension, in an amount not to exceed \$189,965,811.

Summary: A Request For Proposal (RFP Doc2989897656) for the EPC Services of the Project and O&M Services for the Solano Wind Assets was issued in May 2021. Vestas AWT proposed a total of \$323,950,918 for both EPC Services and O&M Services. SMUD's award for a total not to exceed amount of \$405,424,218 accounts for recent increases in fuel and shipping costs, allows for inclusion of optional additional EPC Services work based on final engineering, and includes an optional five additional years of O&M Services.

The EPC services under the EPC Contract include all aspects of Project construction management, including design and engineering, the removal of obsolete 23 Solano 1 project wind turbines, delivery and construction of 19 V150-4.5MW new wind turbines, and construction of the balance of the Project to include roads, foundations, electrical collection system, fiber optic network, and a new warehouse storage facility, with a scheduled substantial completion and commercial operation date of May 31, 2024.

The O&M Services under the Full-Service O&M Agreement include all 103 wind turbines of SMUD's Solano Wind Assets for up to 10 years for Solano 2 and 20 years for Solano 3 and Solano 4. O&M Services include scheduled and unscheduled maintenance tasks and includes a production-based availability guarantee of 97.5% for the entire project.

Thirteen companies participated in the solicitation process, and one proposal was received. Evaluation criteria consisted of:

- Pass/Fail Requirements
- Technical Evaluation
- Pricing

Board Policy: BL-8; Delegation to the Chief Executive Officer and General Manager with respect to Procurement;
(Number & Title) Procurement principles followed in this award include but are not limited to: a) Competition, d) Inclusiveness, e) Economic Development, f) Environmental Procurement, and g) Responsible Bidder(s); Strategic Direction (SD)-9 Resource Planning; SD-7 Environmental Leadership.

Recommendation: Award to the Highest Evaluated Responsive Proposer

Award to:

Vestas American Wind Technology, Inc.
1417 NW Everett St.
Portland, OR 97209

Participants: 13
Proposals Received: 1

Responsive Proposals Received	Pass/Fail	SEED Points	Technical Points	Price Points	Total Score	Rank	Proposal Amount	SEED Credit	Evaluated Proposal Amount	Proposed Award Amount
		10	45	45	100					
Vestas American Wind Technology, Inc.	Passed	-	30.40	45.00	75.40	1	\$323,950,918	-	\$323,950,918	\$405,424,218

Benefits: Completion of a major project toward our 2030 Zero Carbon Goal, retire aging wind assets

Cost/Budgeted: \$405,424,218. Budgeted for 2022 – 2044 by Power Generation, Cost Center 463

Alternatives: Development of additional added project(s) to meet our 2030 Zero Carbon Goal.

Affected Parties: Power Generation, Supply Chain, Legal, Risk, Vestas

Coordination: Power Generation, Supply Chain, Legal, Risk

Presenter: Joel Ledesma, Director, Power Generation

Additional Links:

SUBJECT

Award Contract(s) to Vestas American Wind Technology, Inc to complete the Solano 4 Wind Project and associated Full-Service Operations and Maintenance

ITEM NO. (FOR LEGAL USE ONLY)

9

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

RESOLUTION NO. _____

WHEREAS, in May 2021, SMUD issued Request for Proposal No. Doc2989897656 (RFP) to solicit qualified proposers to perform certain Engineering, Procurement and Construction Services (EPC Services) in connection with development of the 85.5 MW **Solano 4 Wind Project (Project)** (the **EPC Contract**) as well as certain Operations and Maintenance Services (O&M Services) in connection with **SMUD's Solano 2, Solano 3, and Solano 4** wind assets (the **Solano Wind Assets**) (the **Full-Service O&M Agreement**); and

WHEREAS, thirteen companies participated in the solicitation process and one proposal was received in response to the RFP; and

WHEREAS, Vestas American Wind Technology, Inc. (Vestas AWT) proposed a total of \$323,950,918 for both EPC Services and O&M Services; and

WHEREAS, SMUD's award for a combined total not-to-exceed amount of \$405,424,218 under both contracts accounts for recent increases in fuel and shipping costs, allows for inclusion of optional additional EPC Services work based on final engineering, and includes an optional five additional years of O&M Services; and

WHEREAS, the EPC Services include all aspects of **Project** construction management, including design and engineering, the removal of obsolete 23 Solano 1 project wind turbines, delivery and construction of 19 V150-4.5MW new wind turbines, and construction of the balance of the **Project** to include roads, foundations, electrical collection system, fiber optic network, and a new warehouse storage facility, with a scheduled substantial completion and commercial operation date of May 31, 2024; and

WHEREAS, the O&M Services under the **Full-Service O&M Agreement** include all 103 wind turbines of **SMUD's Solano Wind Assets** for up to 10 years for **Solano 2** and up to 20 years for **Solano 3** and **Solano 4**; and

WHEREAS, the O&M Services include scheduled and unscheduled maintenance tasks and includes a production-based availability guarantee of 97.5% for the entire **Project**; **NOW, THEREFORE**,

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

Section 1. As a result of such examination, **Vestas American Wind Technology, Inc. (Vestas AWT)** is hereby determined and declared to be the highest evaluated responsive proposer to perform certain Engineering, Procurement and Construction Services in connection with development of the 85.5 MW **Solano 4 Wind Project** (the **EPC Contract**) as well as certain Operations and Maintenance Services in connection with SMUD's **Solano 2**, **Solano 3**, and **Solano 4** wind assets (the **Full-Service O&M Agreement**).

Section 2. The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to finalize and execute the **EPC Contract** to **Vestas AWT** with substantial completion scheduled for May 2024, in an amount not to exceed \$215,458,407.

Section 3. The Chief Executive Officer and General Manager, or his designee, is authorized, on behalf of SMUD, to finalize and execute the **Full-Service O&M Contract** to **Vestas AWT** for a 15-year period, with one optional five-year extension, in an amount not to exceed \$189,965,811.

Section 4. 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.

SSS No. ES 22-003

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date

ERCS - 04/20/22

Board Meeting Date

April 21, 2022

TO				TO							
1.	Emily Bacchini			6.	Lora Anguay						
2.	Patrick Durham			7.	Suresh Kotha						
3.	Rob Lechner			8.							
4.	Frankie McDermott			9.	Legal						
5.	Brandy Bolden			10.	CEO & General Manager						
Consent Calendar		<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No <i>If no, schedule a dry run presentation.</i>		Budgeted	<input type="checkbox"/>	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>	
FROM (IPR)				DEPARTMENT				MAIL STOP	EXT.	DATE SENT	
Rob Ferrera				Environmental Services				B209	6676	3/22/2022	
NARRATIVE:											
Requested Action:		Adopt the California Environmental Quality Act (CEQA) final Initial Study and Mitigated Negative Declaration (IS/MND) for the 59 th Street Demolition and Remediation Project (Project); adopt the Mitigation Monitoring and Reporting Program for the Project; and approve the Project.									
Summary:		SMUD is proposing installation of a full-scale soil vapor extraction (SVE) system to remediate volatile organic compound (VOC)-impacted soil gas, and excavation and disposal of soil contaminated with arsenic. Accessing the contamination would require demolishing multiple buildings. The “59th Street Demolition and Remediation Project” or “Project” would include building demolition, installation, and operation of the SVE system, and excavation and disposal of contaminated soil. All remediation activities would be reviewed and, prior to implementation, must be approved by the California Department of Toxic Substances Control (DTSC) to ensure protection of human health and the environment. SMUD proposes to remediate the site to appropriate risk and exposure levels as determined by DTSC.									
		The proposed project is anticipated to begin in 2022 and take 3-4 years to complete.									
		The Draft IS/MND was released on January 18, 2022, for a 30-day agency and public comment period. SMUD placed a public notice in the <i>Sacramento Bee</i> and sent notices to landowners within 500 feet of the Project. A public meeting was held on January 27, 2022, via Zoom. Approximately 35 members of the public attended. To date one, comment has been received, from the Central Valley Regional Water Quality Control Board. A copy of the correspondence and the responses to all comments are included in the Final IS/MND. A Mitigation Monitoring and Reporting Program was developed that describes specific mitigation measures for air quality, biological resources, Tribal cultural resources, cultural resources, and traffic and transportation that are required to achieve a finding of no significant impacts for any environmental factors affected by the Project. Taking into consideration implementation of the recommended mitigation measures, the IS/MND found the Project would not result in significant and unavoidable environmental impacts.									
Board Policy: <i>(Number & Title)</i>		The Project supports Board adopted policy SD-7 (Environmental Leadership) by reducing adverse environmental impacts, reducing pollutions and proactively engaging customers and other stakeholders.									
Benefits:		The Project would remove hazardous materials from the site to better ensure public health and safety.									
Cost/Budgeted:		The Project is estimated to cost upwards of \$3.5 million.									
Alternatives:		Adopt the Initial Study and Mitigated Negative Declaration, Mitigation Monitoring and Reporting Program; Return to staff for further study; or Reject the Initial Study and Mitigated Negative Declaration.									
Affected Parties:		The City of Sacramento, Caltrans, Sacramento Rapid Transit, and the public.									

Coordination: Facilities; Regional & Local Government; Community Engagement, Marketing & Corporate Communications; Environmental Services; Real Estate Services; Customer Operations; The City of Sacramento, Department of Toxic Substance Control

Presenter: Patrick Durham, Director, Environmental, Health & Safety and Real Estate Services

Additional Links:

SUBJECT	59th Street Demolition and Remediation Project (CEQA)	ITEM NO. (FOR LEGAL USE ONLY) 10
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

Sacramento Municipal Utility District

SMUD 59th Street Corporation Yard Demolition and Remediation Project

Final Initial Study and Proposed Mitigated Negative Declaration •
State Clearinghouse Number 2022010239 •
April 4, 2022

Powering forward. Together.



Sacramento Municipal Utility District

SMUD 59th Street Corporation Yard Demolition and Remediation Project

Final Initial Study and Proposed Mitigated Negative Declaration •
State Clearinghouse Number 2022010239 •
April 4, 2022

Lead Agency:

Sacramento Municipal Utility District
6201 S Street, MS B209
Sacramento, CA 95817-1899

or

P.O. Box 15830 MS B209
Sacramento, CA 95852-1830
Attn: Rob Ferrera
(916) 732-6676 or rob.ferrera@smud.org

Prepared by:

Ascent Environmental
455 Capitol Mall, Suite 300
Sacramento, CA 95814
Contact: Cori Resha
Cori.Resha@ascentenvironmental.com

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APPENDICES

A Draft IS/MND as Revised in the Final IS/MND

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ACRONYMS AND OTHER ABBREVIATIONS

BACT	best available control technology
BMP	best management practice
Caltrans	California Department of Transportation
CEQA	California Environmental Quality Act
DTSC	Department of Environmental Substances Control
I-5	Interstate 5
IS/MND	Initial Study/Mitigated Negative Declaration
MMRP	Mitigation, Monitoring, and Reporting Program
SMAQMD	Sacramento Municipal Air Quality Management District
SMUD	Sacramento Municipal Utility District
SVE	Soil Vapor Extraction
VOC	Volatile Organic Compounds

Executive Summary

Introduction

This Initial Study (IS) and Mitigated Negative Declaration (MND) has been prepared to evaluate the potential physical environmental impacts associated with Sacramento Municipal Utility District's (SMUD) 59th Street Corporation Yard Demolition and Remediation 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 proposes installation of a full-scale soil vapor extraction (SVE) system to remediate volatile organic compounds (VOC)-impacted soil gas, and excavation and disposal of soil contaminated with arsenic, lead, and petroleum hydrocarbons. In order to access the contamination, multiple buildings would require demolition and pavement would need to be removed. The "SMUD 59th Street Corporation Yard Demolition and Remediation Project" or "project" would include building demolition, pavement removal, decommissioning of the existing pilot study SVE system, installation and operation of the SVE system, and excavation and disposal of contaminated soil, and backfilling the excavation with clean fill material. All soil gas and soil remediation activities would be reviewed and must be approved by the Department of Toxic Substances Control (DTSC) to ensure protection of human health and the environment. SMUD proposes to remediate the site to appropriate risk and exposure levels to be determined by DTSC. For purposes of this analysis, "project construction" means any demolition or remediation activities, including installation of the SVE system. Following complete site remediation to DTSC standards, SMUD will continue to be responsible for site maintenance and may seek entitlements for the future use of the site and/or transfer ownership of the parcel. Because future use of the site is not yet known and would be subject to City of Sacramento zoning and City development application and project approval processes, this analysis does not evaluate any future operation of the project site.

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, Tribal Cultural Resources, Cultural Resources, and Traffic and Transportation would be implemented as part of SMUD's project through adoption of a mitigation monitoring and reporting program (MMRP).

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. The project would remediate a site with known soil contamination. The project would not have the potential to foster economic or population growth. The project would be consistent with SMUD's established strategic direction, which includes environmental leadership, and is consistent with long-range planning documents prepared by the City of Sacramento, such as the 2035 General Plan, and would support development at levels approved by the City as the governing land use authority.

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.



SMUD 59th Street Corporation Yard Demolition and Remediation Project
April 2022

A handwritten signature in black ink, appearing to read "Rob Ferrera", written over a horizontal line.

Rob Ferrera
Environmental Management Specialist

April 4, 2022
Date



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1 Introduction

1.1 Project Overview

The Sacramento Municipal Utility District (SMUD) proposes installation of a full-scale soil vapor extraction (SVE) system to remediate volatile organic compounds (VOC)-impacted soil gas, and excavation and disposal of soil contaminated with arsenic, lead, and petroleum hydrocarbons. In order to access the contamination, multiple buildings would require demolition and pavement would need to be removed. The “SMUD 59th Street Corporation Yard Demolition and Remediation Project” or “project” would include building demolition, pavement removal, decommissioning of the existing pilot study SVE system, installation and operation of the SVE system, and excavation and disposal of contaminated soil, and backfilling the excavation with clean fill material. All soil gas and soil remediation activities would be reviewed and must be approved by the Department of Toxic Substances Control (DTSC) to ensure protection of human health and the environment. SMUD proposes to remediate the site to appropriate risk and exposure levels to be determined by DTSC. For purposes of this analysis, “project construction” means any demolition or remediation activities, including installation of the SVE system. Following complete site remediation to DTSC standards, SMUD will continue to be responsible for site maintenance and may seek entitlements for the future use of the site and/or transfer ownership of the parcel. Because future use of the site is not yet known and would be subject to City of Sacramento zoning and City development application and project approval processes, this analysis does not evaluate any future operation of the project site.

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 were 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 500 feet of the project site. The 30-day public review period began on January 18, 2022 and ended on February 17, 2022. SMUD held a virtual public meeting on February 3, 2022. No comments regarding the CEQA document were received during the public meeting. One comment letter was received from an agency during the comment period. This comment letter and SMUD’s written responses to each comment received 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 from an agency received during the comment period was reviewed, and responses were prepared (see Section 2.0). Based on the comments received, there were no new environmental effects identified. The Final Initial Study/Mitigated Negative Declaration (IS/MND) does not incorporate any changes to the project description. However, SMUD has added language to Mitigation Measure 3.3-1 to provide clarity regarding the mitigation requirements. These changes are reflected in the final text of the 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])

The changes to Mitigation Measure 3.3-1 are made to clarify SMUD's mitigation obligation. These changes do not meet the above criteria for recirculation; 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, Biological Resources, Tribal Cultural Resources, Cultural Resources, and Geology and Soils. These measures reflect text revisions as documented in the Final IS/MND.

1.3.1 Air Quality

As discussed in Section 3.3 of the Draft IS/MND, project construction activities would result in temporary generation and emissions of criteria air pollutants and precursors. The modeling of anticipated construction-generated emissions revealed that the project, without the application of best management practices (BMPs) and best available control technology (BACT), would generate daily emissions of particulate matter less than 10 microns in diameter and particulate matter less than 2.5 microns in diameter in excess of the Sacramento Municipal Air Quality Management District (SMAQMD) thresholds. Mitigation Measure 3.3-1 requires SMUD's contractor to implement SMAQMD emission control practices and would reduce impacts to less than significant.

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

During demolition and remediation, the contractor shall comply with and implement SMAQMD's Basic Construction Emission Control Practices, which includes SMAQMD-recommended BMPs and BACT, for controlling fugitive dust emissions. Measures to be implemented include the following:

- *Water all exposed surfaces at least two times daily during working hours to keep soil moist and prevent dust. Exposed surfaces include, but are not limited to, soil piles, graded areas, unpaved parking areas, staging areas, and access roads. Contaminated stockpiles to be covered at all times. If a contaminated stockpile becomes inactive (no work for 14 days), it will continue to be covered.*
- *Fabric will be installed on the perimeter chainlink fence to prevent fugitive dust from the site.*
- *Monitor air quality for fugitive dust emissions.*

- *Cover or maintain at least two (2) feet of freeboard space on haul trucks transporting soil, sand, or other loose material on the site. Cover any haul trucks that will be traveling along freeways or major roadways.*
- *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 speed on unpaved roads to 15 miles per hour.*
- *All roadways, driveways, sidewalks, parking lots to be paved should be completed 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 equipment in proper working condition according to manufacturer's specifications. Equipment will be checked by a certified mechanic and determined to be running in proper condition before it is operated.*

Mitigation Measure 3.3-2: Implement SMAQMD Basic Construction Emission Control Practices.

During operations, SMUD shall comply with and implement SMAQMD's BMPs for Operational PM Emissions to support the use of the SMAQMD's non-zero thresholds of significance. Measures to be implemented include the following:

- *Compliance with District rules that control operational PM and NO_x emissions. Reference rules regarding wood burning devices, boilers, water heaters, generators and other PM control rules that may apply to equipment to be located at the project.*
- *Compliance with anti-idling regulations for diesel powered commercial motor vehicles (greater than 10,000 gross vehicular weight rating). This BMP focuses on non-residential land use projects (retail and industrial) that would attract these vehicles. The current requirements include limiting idling time to 5 minutes and installing technologies on the vehicles that support anti-idling.*

1.3.2 Biological Resources

As discussed in detail in Section 3.4 of the Draft IS/MND, mature trees on the project site and adjacent area could support bird nests. To avoid disturbance to nesting birds, SMUD would implement the following mitigation measure to reduce impacts to less than significant.

Mitigation Measure 3.4-1: Avoid disturbance of nesting birds

Ornamental vegetation shall be removed within the project site outside of the nesting bird season (September 1 – January 31).

If vegetation removal, demolition activities, or construction will occur during the nesting season (between February 1 and August 31), a SMUD project biologist/biological monitor will conduct pre-construction nesting bird surveys to determine if birds are nesting in the work area or within 0.25 mile for Swainson's hawk, and within 500 feet of the work area for non-listed raptors, and within the project site 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 or no nesting raptors are found within 500 feet or no nesting birds are found within the project site during the pre-construction clearance surveys, construction activities may proceed as scheduled.

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 impacting 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 proposed project. However, the qualified biologist shall consult with the California Department of Fish and Wildlife to confirm the adequacy of the no-disturbance buffer and/or if the buffer is reduced based on the biologist professional judgement.

If an active nest of non-listed raptor species is found in or within 500 feet of the project site during construction, a "No Construction" buffer zone will be established around the active nest. Similarly, if a passerine nest is found within the project site during construction a "No Construction" buffer zone will be established around the active nest (usually 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 situation, 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 has determined that with implementation of an appropriate buffer, work activities would not disturb the bird's nesting behavior.

If special-status bird species are found nesting on or within 500 feet of the project site, the project biologist/biological monitor shall notify SMUD's project manager to notify CDFW or USFWS, as appropriate, within 24 hours of first nesting observation.

1.3.3 Tribal Cultural Resources

Although there are no known Tribal cultural resources within the project site, the NAHC Sacred Lands search was positive. Mitigation Measure 3.5-1 requires SMUD to stop work and notify Tribal representatives. Implementation of this measure would reduce impacts related to Tribal cultural resources to less than significant.

Mitigation Measure 3.5-1

If any suspected Tribal cultural resources are discovered during ground disturbing construction activities, including midden soil, artifacts, chipped stone, exotic rock (nonnative), or unusual amounts of baked clay, shell, or bone, all work shall cease within 100 feet of the find. Appropriate Tribal representative(s) shall be immediately notified and shall determine if the find is a Tribal cultural resource (pursuant to PRC Section 21074). The Tribal representative will make recommendations for further evaluation and treatment, as necessary.

Preservation in place is the preferred alternative under CEQA and the Tribes' protocols, and every effort must be made to preserve the resources in place, including through project redesign. Culturally appropriate treatment may be, 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 vicinity where they will not be subject to future impacts. The Tribe does not consider curation of tribal cultural resources to be appropriate or respectful and request that materials not be permanently curated, unless approved by the Tribe. Treatment that preserves or restores the cultural character and integrity of a tribal cultural resource may include tribal monitoring, culturally appropriate recovery of cultural objects, and reburial of cultural objects or cultural soil.

1.3.4 Cultural Resources

A cultural resources investigation was conducted for the project and included a records search and site evaluation. These revealed no built-environment historical resources or known archaeological resources within the project site but the possibility remains that project-related ground-disturbing activities could result in discovery or damage of yet undiscovered archaeological resources. Therefore, SMUD would implement Mitigation Measure 3.6-1 to reduce impacts related to archaeological resources to less than significant.

Mitigation Measure 3.6-1: Discovery of Archaeological Materials

In the event that indigenous subsurface archaeological features or deposits, including locally darkened soil ("midden") or historic-period archaeological materials (such as concentrated deposits of bottles or bricks with makers marks, or other historic refuse), is uncovered during 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 qualified archaeologist determines the archaeological material to be Native American in nature, Mitigation Measure 3.18-1 shall

be implemented. If the find is determined to be significant by the archaeologist (i.e., because it is determined to constitute a unique archaeological resource), the archaeologist shall work with SMUD to develop and implement appropriate procedures to protect the integrity of the resource and ensure that no additional resources are affected. Procedures could include but would not necessarily be limited to preservation in place, archival research, subsurface testing, or contiguous block unit excavation and data recovery.

In addition, although records do not indicate the presence of human remains, it is possible that previously-undiscovered human remains could be encountered during project construction activities. SMUD would implement Mitigation Measure 3.6-2 to reduce potential impacts related to human remains to less-than-significant levels.

Mitigation Measure 3.6-2: Discovery of Human Remains

If human remains are discovered during any demolition/construction activities, potentially damaging ground-disturbing activities within 100 feet of the remains shall be halted immediately, and the project applicant shall notify the Sacramento County coroner and the NAHC immediately, according to Section 5097.98 of the PRC and Section 7050.5 of California's Health and Safety Code. If the remains are determined by the NAHC to be Native American, the guidelines of the NAHC shall be adhered to in the treatment and disposition of the remains. The project applicant shall also retain a professional archaeologist with Native American burial experience to conduct a field investigation of the specific site and consult with the Most Likely Descendant, if any, identified by the NAHC. Following the coroner's and NAHC's findings, the archaeologist, and the NAHC-designated Most Likely Descendant shall determine the ultimate treatment and disposition of the remains and take appropriate steps to ensure that additional human interments are not disturbed. The responsibilities for acting upon notification of a discovery of Native American human remains are identified in PRC Section 5097.94.

1.3.5 Geology and Soils

As discussed in Section 3.8 of the Draft IS/MND, project-related earthmoving activities would occur 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 site, this formation is considered to be paleontologically sensitive. While there are no known paleontological resources within the project alignment, implementation of Mitigation Measure 3.8-1 would reduce effects on previously unknown paleontological resources to less than significant.

Mitigation Measure 3.8-1: Worker awareness and response for paleontological resources

Prior to the start of project activities that would result in ground disturbance, SMUD shall provide information to the construction contractor and SMUD's project superintendent regarding the potential for paleontological resources that could be encountered during ground disturbance, the regulatory protections afforded to such finds, and the

procedures to follow in the event of discovery of a previously unknown resource, including notifying SMUD representatives.

If workers observe any evidence of paleontological resources (e.g., fossils), all work within 50 feet of the find shall cease immediately, and SMUD representatives shall be notified. A paleontologist meeting the Society of Vertebrate Paleontology's minimum qualifications shall be consulted to assess the significance of the paleontological find and recommend appropriate measure for the treatment of the resource. Potential treatment may include no action (i.e., the resource is not significant), avoidance of the resource, or data recovery.

1.4 CEQA Determination

SMUD has determined that although the proposed 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 Mitigated Negative Declaration on April 4, 2022, and SMUD's Board of Directors will consider adoption of the MND at a board meeting in April 2022.

2 Comments and Responses

2.1 Introduction

The Draft IS/MND for the proposed project was circulated for a 30-day public review period (January 18, 2022 to February 17, 2022). During the public comment period, SMUD received one comment letter that pertained to the proposed project (see Table 2-1).

Table 2-1: List of Commenters

Letter Number	Name
1	Central Valley Regional Water Quality Control Board Peter G. Minkel, Engineering Geologist February 17, 2022

2.2 Responses to Comments

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

Letter
1

Central Valley Regional Water Quality Control Board

17 February 2022

Rob Ferrera
Sacramento Municipal Utility District
6201 S Street, MS B209
Sacramento, CA 95817-1899
rob.ferrera@smud.org



COMMENTS TO REQUEST FOR REVIEW FOR THE MITIGATED NEGATIVE DECLARATION, SMUD 59TH STREET CORPORATION YARD DEMOLITION AND REMEDIATION PROJECT, SCH#2022010239, SACRAMENTO COUNTY

Pursuant to the State Clearinghouse's 18 January 2022 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 SMUD 59th Street Corporation Yard Demolition and Remediation Project, located in Sacramento County.

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.

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 the State Water Resources Control Board (State Water Board), Office of

DENISE KADARA, ACTING CHAIR | PATRICK PULUPA, EXECUTIVE OFFICER

11020 Sun Center Drive #200, Rancho Cordova, CA 95670 | www.waterboards.ca.gov/centralvalley

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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/

1-1
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.

1-2

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:

1-3

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

Phase I and II Municipal Separate Storm Sewer System (MS4) Permits¹

The Phase I and II MS4 permits require the Permittees reduce pollutants and runoff flows from new development and redevelopment using Best Management Practices (BMPs) to the maximum extent practicable (MEP). MS4 Permittees have their own development standards, also known as Low Impact Development (LID)/post-construction standards that include a hydromodification component. The MS4 permits also require specific design concepts for LID/post-construction BMPs in the early stages of a project during the entitlement and CEQA process and the development plan review process.

For more information on which Phase I MS4 Permit this project applies to, visit the Central Valley Water Board website at:

http://www.waterboards.ca.gov/centralvalley/water_issues/storm_water/municipal_permits/

For more information on the Phase II MS4 permit and who it applies to, visit the State Water Resources Control Board at:

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

1-3
cont.**Industrial Storm Water General Permit**

Storm water discharges associated with industrial sites must comply with the regulations contained in the Industrial Storm Water General Permit Order No. 2014-0057-DWQ. For more information on the Industrial Storm Water General Permit, visit the Central Valley Water Board website at:

http://www.waterboards.ca.gov/centralvalley/water_issues/storm_water/industrial_general_permits/index.shtml

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

¹ Municipal Permits = The Phase I Municipal Separate Storm Water System (MS4) Permit covers medium sized Municipalities (serving between 100,000 and 250,000 people) and large sized municipalities (serving over 250,000 people). The Phase II MS4 provides coverage for small municipalities, including non-traditional Small MS4s, which include military bases, public campuses, prisons and hospitals.

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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/

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/

1-3
cont.

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:

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

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



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under the General Order or Waiver must file a Notice of Intent with the Central Valley Water Board prior to beginning discharge.

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:

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/>

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

Peter G. Minkel
Engineering Geologist

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

1-3
cont.

Letter 1	Central Valley Regional Water Quality Control Board Peter G. Minkel, Engineering Geologist February 17, 2022
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- 1-1 The comment provides background information about the Basin Plan and the process for amending the Basin Plan. It is understood that the standards of the Basin Plan may be amended over time. The comment does not address the adequacy of the analysis of the Draft IS/MND. No further response is needed.
- 1-2 The comment states that 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 Basin Plan is discussed on page 81 of the Draft IS/MND. Furthermore, as discussed on pages 81 and 82 of the Draft IS/MND, the project would comply with the City of Sacramento's Stormwater Quality Improvement Plan (SQIP) and obtain coverage under the NPDES General Construction Permit. No changes are required to the Draft IS/MND in response to this comment.

- 1-3 The comment provides information about the permitting requirements that may be applicable to the project. Section 2.4 beginning on page 21 of the Draft IS/MND discusses the potential permits that may be required and includes permits issued by the Central Valley Regional Water Quality Control Board. Additionally, the impact discussion on pages 81 and 82 of the Draft IS/MND discuss the applicable permits and requirements related to water quality. No changes are required to the Draft IS/MND in response to this comment.



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3 Changes to Draft IS/MND Text

This section presents specific text changes made to the Draft IS/MND since its publication and public review. The changes are presented in the order in which they appear in the original document and are identified by the Draft IS/MND page number. Text deletions are shown in strikethrough (~~strikethrough~~), and text additions are shown in underline (underline).

It should be noted that the following revisions do not change the intent or content of the analysis or effectiveness of mitigation measures presented in the Draft IS/MND and do not necessitate recirculation of the Draft IS/MND or preparation of an Environmental Impact Report.

3.1 Changes to Draft IS/MND Text

The text beginning on page 37 of the Draft IS/MND is revised as follows.

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

During demolition and remediation, the contractor shall comply with and implement SMAQMD's Basic Construction Emission Control Practices, which includes SMAQMD-recommended BMPs and BACT, for controlling fugitive dust emissions. Measures to be implemented include the following:

- Water all exposed surfaces at least two times daily during working hours to keep soil moist and prevent dust. Exposed surfaces include, but are not limited to, soil piles, graded areas, unpaved parking areas, staging areas, and access roads. Contaminated stockpiles to be covered at all times. If a contaminated stockpile becomes inactive (no work for 14 days), it will continue to be covered.
- Fabric will be installed on the perimeter chainlink fence to prevent fugitive dust from the site.
- Monitor air quality for fugitive dust emissions.
- Cover or maintain at least two (2) feet of freeboard space on haul trucks transporting soil, sand, or other loose material on the site. Cover any haul trucks that will be traveling along freeways or major roadways.
- 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.



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- Limit vehicle speed on unpaved roads to 15 miles per hour.
- All roadways, driveways, sidewalks, parking lots to be paved should be completed 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 equipment in proper working condition according to manufacturer's specifications. Equipment will be checked by a certified mechanic and determined to be running in proper condition before it is operated.

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 59th Street Corporation Yard Demolition and Remediation 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 3-1 (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 3-1: Mitigation Monitoring and Reporting Program			
Checklist Section	Environmental Criteria	Mitigation Measure	Timing
Air Quality	a, b	<p><i>Mitigation Measure 3.3-1: Implement SMAQMD Basic Construction Emission Control Practices.</i></p> <p><i>During demolition and remediation, the contractor shall comply with and implement SMAQMD's Basic Construction Emission Control Practices, which includes SMAQMD-recommended BMPs and BACT, for controlling fugitive dust emissions. Measures to be implemented include the following:</i></p> <ul style="list-style-type: none"> <i>Water all exposed surfaces at least two times daily <u>during working hours to keep soil moist and prevent dust</u>. Exposed surfaces include, but are not limited to, soil piles, graded areas, unpaved parking areas, staging areas, and access roads. <u>Contaminated stockpiles to be covered at all times. If a contaminated stockpile becomes inactive (no work for 14 days), it will continue to be covered.</u></i> <i><u>Fabric will be installed on the perimeter chainlink fence to prevent fugitive dust from the site.</u></i> <i><u>Monitor air quality for fugitive dust emissions. Cover or maintain at least two (2) feet of freeboard space on haul trucks transporting soil, sand, or other loose material on the site. Cover any haul trucks that will be traveling along freeways or major roadways.</u></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> 	Throughout construction activities

Table 3-1: Mitigation Monitoring and Reporting Program			
Checklist Section	Environmental Criteria	Mitigation Measure	Timing
		<ul style="list-style-type: none"> Limit vehicle speed on unpaved roads to 15 miles per hour. All roadways, driveways, sidewalks, parking lots to be paved should be completed 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 equipment in proper working condition according to manufacturer's specifications. Equipment will be checked by a certified mechanic and determined to be running in proper condition before it is operated. <p>Mitigation Measure 3.3-2: Implement SMAQMD Basic Construction Emission Control Practices.</p> <p>During operations, SMUD shall comply with and implement SMAQMD's BMPs for Operational PM Emissions to support the use of the SMAQMD's non-zero thresholds of significance. Measures to be implemented include the following:</p> <ul style="list-style-type: none"> Compliance with District rules that control operational PM and NO_x emissions. Reference rules regarding wood burning devices, boilers, water heaters, generators and other PM control rules that may apply to equipment to be located at the project. 	

Table 3-1: Mitigation Monitoring and Reporting Program			
Checklist Section	Environmental Criteria	Mitigation Measure	Timing
		<ul style="list-style-type: none"> Compliance with anti-idling regulations for diesel powered commercial motor vehicles (greater than 10,000 gross vehicular weight rating). This BMP focuses on non-residential land use projects (retail and industrial) that would attract these vehicles. The current requirements include limiting idling time to 5 minutes and installing technologies on the vehicles that support anti-idling. 	
Biological Resources	a	<p>Mitigation Measure 3.4-1: Avoid disturbance of nesting birds</p> <p>Ornamental vegetation shall be removed within the project site outside of the nesting bird season (September 1 – January 31).</p> <p>If vegetation removal, demolition activities, or construction will occur during the nesting season (between February 1 and August 31), a SMUD project biologist/biological monitor will conduct pre-construction nesting bird surveys to determine if birds are nesting in the work area or within 0.25 mile for Swainson's hawk, and within 500 feet of the work area for non-listed raptors, and within the project site for all other nesting birds.</p> <p>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 or no nesting raptors are found within 500 feet or no nesting birds are found within the project site during the pre-construction clearance surveys, construction activities may proceed as scheduled.</p> <p>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</p>	Prior to construction activities.

Table 3-1: Mitigation Monitoring and Reporting Program			
Checklist Section	Environmental Criteria	Mitigation Measure	Timing
		<p><i>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 impacting 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 proposed project. However, the qualified biologist shall consult with the California Department of Fish and Wildlife to confirm the adequacy of the no-disturbance buffer and/or if the buffer is reduced based on the biologist professional judgement.</i></p> <p><i>If an active nest of non-listed raptor species is found in or within 500 feet of the project site during construction, a "No Construction" buffer zone will be established around the active nest. Similarly, if a passerine nest is found within the project site during construction a "No Construction" buffer zone will be established around the active nest (usually 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 situation, 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 has determined that with implementation of an appropriate buffer, work activities would not disturb the bird's nesting behavior.</i></p> <p><i>If special-status bird species are found nesting on or within 500 feet of the project site, the project biologist/biological monitor shall notify</i></p>	

Table 3-1: Mitigation Monitoring and Reporting Program			
Checklist Section	Environmental Criteria	Mitigation Measure	Timing
		<i>SMUD's project manager to notify CDFW or USFWS, as appropriate, within 24 hours of first nesting observation.</i>	
Tribal Cultural Resources	a, b	<p>Mitigation Measure 3.5-1</p> <p><i>If any suspected Tribal cultural resources are discovered during ground disturbing construction activities, including midden soil, artifacts, chipped stone, exotic rock (nonnative), or unusual amounts of baked clay, shell, or bone, all work shall cease within 100 feet of the find. Appropriate Tribal representative(s) shall be immediately notified and shall determine if the find is a Tribal cultural resource (pursuant to PRC Section 21074). The Tribal representative will make recommendations for further evaluation and treatment, as necessary.</i></p> <p><i>Preservation in place is the preferred alternative under CEQA and the Tribes' protocols, and every effort must be made to preserve the resources in place, including through project redesign. Culturally appropriate treatment may be, 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 vicinity where they will not be subject to future impacts. The Tribe does not consider curation of tribal cultural resources to be appropriate or respectful and request that materials not be permanently curated, unless approved by the Tribe. Treatment that preserves or restores the cultural character and integrity of a tribal cultural resource may include tribal monitoring, culturally appropriate recovery of cultural objects, and reburial of cultural objects or cultural soil.</i></p>	Throughout construction activities.

Table 3-1: Mitigation Monitoring and Reporting Program			
Checklist Section	Environmental Criteria	Mitigation Measure	Timing
Cultural Resources	a, b	<p>Mitigation Measure 3.6-1: Discovery of Archaeological Materials</p> <p><i>In the event that indigenous subsurface archaeological features or deposits, including locally darkened soil (“midden”) or historic-period archaeological materials (such as concentrated deposits of bottles or bricks with makers marks, or other historic refuse), is uncovered during 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 qualified archaeologist determines the archaeological material to be Native American in nature, Mitigation Measure 3.18-1 shall be implemented. If the find is determined to be significant by the archaeologist (i.e., because it is determined to constitute a unique archaeological resource), the archaeologist shall work with SMUD to develop and implement appropriate procedures to protect the integrity of the resource and ensure that no additional resources are affected. Procedures could include but would not necessarily be limited to preservation in place, archival research, subsurface testing, or contiguous block unit excavation and data recovery.</i></p>	Throughout construction activities.
Cultural Resources	c	<p>Mitigation Measure 3.6-2: Discovery of Human Remains</p> <p><i>If human remains are discovered during any demolition/construction activities, potentially damaging ground-disturbing activities within 100 feet of the remains shall be halted immediately, and the project applicant shall notify the Sacramento County coroner and the NAHC immediately, according to Section 5097.98 of the PRC and Section 7050.5 of California’s Health and Safety Code. If the remains are</i></p>	Throughout construction activities.

Table 3-1: Mitigation Monitoring and Reporting Program			
Checklist Section	Environmental Criteria	Mitigation Measure	Timing
		<i>determined by the NAHC to be Native American, the guidelines of the NAHC shall be adhered to in the treatment and disposition of the remains. The project applicant shall also retain a professional archaeologist with Native American burial experience to conduct a field investigation of the specific site and consult with the Most Likely Descendant, if any, identified by the NAHC. Following the coroner's and NAHC's findings, the archaeologist, and the NAHC-designated Most Likely Descendant shall determine the ultimate treatment and disposition of the remains and take appropriate steps to ensure that additional human interments are not disturbed. The responsibilities for acting upon notification of a discovery of Native American human remains are identified in PRC Section 5097.94.</i>	
Traffic and Transportation	a, c, d	<p>Mitigation Measure 3.17-1: Traffic Control Plan</p> <p><i>Prior to project construction within or adjacent to public roadways, SMUD's construction contractor shall develop a traffic control plan for the project and submit the plan to the City of Sacramento's Department of Public Works. The plan shall identify temporary lane, sidewalk, bicycle lane, and transit stop closures and provide information regarding how access and connectivity 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 the contractor during construction to allow for the safe passage of vehicles, pedestrians, and cyclists along the project route.</i></p>	Prior to work within or adjacent to public roadways.



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Sacramento Municipal Utility District

SMUD 59th Street Corporation Yard Demolition and Remediation Project

Draft Initial Study and Proposed Mitigated Negative Declaration•

January 2022

Reflects Revisions Made in the Final IS/MND on April 4, 2022

Powering forward. Together.



Sacramento Municipal Utility District

SMUD 59th Street Corporation Yard Demolition and Remediation Project

Draft Initial Study and Proposed Mitigated Negative Declaration • January 2022
Reflects Revisions Made in the Final IS/MND on April 4, 2022

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- Appendix A – Air Quality Modeling
- Appendix B – Health Risk Assessment
- Appendix C – Cultural Resources Investigation



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ACRONYMS AND OTHER ABBREVIATIONS

ACM	asbestos-containing materials
AOC	area of concern
BACT	Best Available Control Technology
BMP	best management practices
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
CDFW	California Department of Fish and Wildlife
CEC	California Energy Commission
CEQA	California Environmental Quality Act
CESA	California Endangered Species Act
CFR	Code of Federal Regulations
CH ₄	methane
cis-DCE	1-dichloroethene
CNDDB	California Natural Diversity Database
CNPS	California Native Plant Society
CNRA	California Natural Resources Agency
CO	carbon monoxide
CO ₂	carbon dioxide
CRHR	California Register of Historical Resources
CRPR	California Rare Plant Rank
CSS	combined sewer system
dB	decibels
dBA	A-Weighted Decibels
DOC	California Department of Conservation's
DOT	U.S. Department of Transportation
Draft IS/MND	Draft Initial Study/Mitigated Negative Declaration
DTSC	California Department of Toxic Substances Control
EPA	U.S. Environmental Protection Agency
ERCS	Environmental Resources and Customer Service



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ESA	Endangered Species Act
FEMA	Federal Emergency Management Agency
FMMP	Farmland Mapping and Monitoring Program
FTA	Federal Transit Authority
GHG	greenhouse gases
H ₂ S	hydrogen sulfide
HFC	hydrofluorocarbons
HREC	historical recognized environmental condition
in/sec	inches per second
IPaC	Information, Planning, and Consultation System
LBP	lead-based paint
lbs/day	pounds per day
Leq	Equivalent Continuous Sound Level
L _{max}	Maximum Noise Level
LRT	light rail transit
mg/kg	milligram per kilogram
MMRP	mitigation monitoring and reporting program
MRZ	Mineral Resource Zones
N ₂ O	nitrous oxide
NAAQS	National Ambient Air Quality Standards
NAHC	Native American Heritage Commission
NCIC	North Central Information Center
NHTSA	National Highway Traffic Safety Administration
NO ₂	nitrogen dioxide
NOI	Notice of Intent
non-VHFHSZ	non-Very High Fire Hazard Severity Zone
NO _x	nitrogen oxides
NPDES	National Pollutant Discharge Elimination System
NRCS	Natural Resources Conservation Service
NRHP	National Register of Historic Properties
OSHA	Occupational Safety and Health Administration
OWS	oil/water separators
Pb	lead
PCB	polychlorinated biphenyl
PCE	tetrachloroethene
PFC	perfluorocarbons
PG&E	Pacific Gas and Electric Company



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PM ₁₀	particulate matter less than 10 microns in diameter
PM _{2.5}	particulate matter less than 2.5 microns in diameter
ppm	parts per million
PPV	peak particle velocity
PRC	Public Resources Code
project	SMUD 59 th Street Corporation Yard Demolition and Remediation Project
RCRA	Resource Conservation and Recovery Act
REC	recognized environmental conditions
RFA	Facility Assessment
RFI	Facility Investigation
RMS	root-mean-square
ROG	reactive organic gases
SAFE Rule	Safer Affordable Fuel-Efficient Vehicles Rule
SCECD	Sacramento County Environmental Compliance Division
SF ₆	sulfur hexafluoride
SFD	Sacramento Fire Department
SMAQMD	Sacramento Metropolitan Air Quality Management District
SMUD	Sacramento Municipal Utility District
SO ₂	sulfur dioxide
SPD	Sacramento Police Department
SQIP	Stormwater Quality Improvement Plan
SVAB	Sacramento Valley Air Basin
SVE	soil vapor extractions
SVSL	soil vapor screening levels
SWPPP	Stormwater Pollution Prevention Plan
SWRCB	State Water Resources Control Board's
TAC	toxic air contaminants
tpy	tons per year
UAIC	United Auburn Indian Community of the Auburn Rancheria
US 50	U.S. Highway 50
USFWS	U.S. Fish and Wildlife Service
UST	underground storage tanks
VdB	vibration decibels
VEC	vapor encroachment condition
VMT	vehicle miles traveled
VOC	volatile organic compounds



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1. Introduction

1.1 Project Overview

The Sacramento Municipal Utility District (SMUD) proposes to undertake soil remediation at its former corporation yard and administrative offices located at 1708 59th Street in downtown Sacramento (“SMUD 59th Street Corporation Yard Demolition and Remediation Project” or “project”).

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 SMUD 59th Street Corporation Yard Demolition and Remediation 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 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 500 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 a 30-day review and comment period from January 18, 2022 to February 17, 2022.



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If you wish to send written comments (including via e-mail), they must be received by close of business on February 17, 2022. Written comments should be addressed to:

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

E-mail comments may be addressed to rob.ferrera@smud.org. If you have questions regarding the NOI or Draft IS/MND, please call Rob Ferrera at (916) 732-6676.

Digital copies of the NOI and Draft IS/MND are available on the internet at: <https://www.smud.org/en/about-smud/company-information/document-library/CEQA-reports.htm>. 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 500 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 adoption 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: List of Preparers. This chapter lists the organizations and people that prepared the document.

Chapter 5: References. This chapter lists the references used in preparation of this Draft IS/MND.



1.6 Environmental Factors Potentially Affected

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a “Potentially Significant Impact” as indicated by the checklist on the following pages.

- | | | |
|--|---|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture and Forestry Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Energy |
| <input 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 type="checkbox"/> Transportation / Traffic | <input type="checkbox"/> Tribal Cultural Resources |
| <input type="checkbox"/> Utilities / Service Systems | <input type="checkbox"/> Wildfire | <input type="checkbox"/> Mandatory Findings of Significance |
| <input checked="" type="checkbox"/> None With Mitigation | | |



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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

January 18, 2022

Date

Rob Ferrera

Printed Name

Environmental Specialist

Title

Sacramento Municipal Utility District

Agency



SMUD 59th Street Corporation Yard Demolition and Remediation Project

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2. Project Description

2.1 Project Location

The project would be located at 1708 59th Street in East Sacramento (See Figure 2-1). The site is bordered by residential development to the west, commercial development to the north, a California Department of Transportation (Caltrans) laboratory to the east across 59th Street, and U.S. Highway 50 (US 50) to the south. The corporation yard is bisected by a Sacramento Regional Transit (Sac RT) light rail line. As shown in Figure 2-2, the project site is fully developed and is located in a highly developed area of Sacramento.

2.2 Project Background

SMUD purchased the 59th Street property from the Pacific Gas and Electric Company (PG&E) and used the site as a corporation yard from 1947 until 2012. In 2013 SMUD relocated to a replacement facility at 4401 Bradshaw Road (the East Campus Operations Center). After relocating the corporation yard, SMUD used the project site as a storage area for hazardous wastes generated onsite or at other SMUD facilities. The project site encompasses 19.74 acres. The site is bordered by residential development to the west, commercial development to the north, a California Department of Transportation (Caltrans) laboratory to the east across 59th Street, and U.S. Highway 50 (US 50) to the south. The corporation yard is bisected by a Sacramento Regional Transit light rail line.

In July 2012, the California Department of Toxic Substances Control (DTSC) completed a Resource Conservation and Recovery Act (RCRA) Facility Assessment (RFA). The RFA identified 19 solid waste management units and two areas of concern (AOCs). DTSC recommended that two SMWUs and one AOC be included in a RCRA Facility Investigation (RFI). On January 28, 2015, a Corrective Action Consent Agreement (Agreement) was signed, and became effective February 25, 2015. In July 2015, DTSC approved an RFI Workplan for implementation, which began that same month. The RFI Report that concluded that no further investigation was needed at the AOC, and DTSC concurred with the conclusion in January 2016.

In 2015, Kleinfelder performed a Phase II Environmental Site Assessment (ESA), independent of the Agreement, to evaluate areas of the corporation yard where past and/or current activities may have chemically-impacted soil gas, soil, or groundwater. Tetrachloroethene (PCE) was detected in soil gas and arsenic was detected in soil at concentrations exceeding their respective regulatory screening criteria. Bromodichloromethane, chloroform, PCE, and petroleum hydrocarbons were detected in groundwater at concentrations that did not exceed their respective primary Maximum Contaminant Levels for drinking water, if established (Kleinfelder 2016).

On October 8, 2018, the First Amendment to the Agreement was signed to conduct further investigation of PCE and arsenic recommended in the Phase II ESA report. From



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December 2018 to March 2019, AECOM conducted site investigation activities to further characterize the lateral and vertical extent of PCE in soil gas, soil, and groundwater, and arsenic in soil (AECOM 2019). It was determined that PCE levels in soil gas were present at concentrations exceeding residential and commercial/industrial soil vapor screening levels (SVSLs), while concentrations in soil and groundwater did not exceed the SVSLs (AECOM 2021b:2-5). The 2018 soil investigation found arsenic concentrations in soil that exceeded background concentration levels.



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Source: adapted by Ascent Environmental in 2021

Figure 2-1. Project Vicinity



Source: adapted by Ascent Environmental in 2021

Figure 2-2. Project Site



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A Phase I Environmental Site Assessment (Phase I ESA) was completed for the project site by AECOM in February 2020. This Phase I ESA report identified five recognized environmental conditions (RECs) in connection with the project site. RECs identified in connection with the project site include the following:

- Based on the information detailed in historical documents, there are potential uncharacterized environmental impacts caused by the presence of 11 underground hydraulic lifts and related hydraulic oil reservoir underground storage tanks (USTs), and two vehicle oil/water separators (OWSs). Since preparation of the Phase 1 report, SMUD has removed the OWSs in accordance with the Agreement (SMUD 2021).
- No information or documentation regarding the removal of a 550-gallon cleaning solvent tank and a 550-gallon kerosene tank was readily available for review. Since preparation of the Phase I ESA report, removal documentation for these USTs was found.
- The presence of polychlorinated biphenyls (PCBs) in building materials with concentrations greater than the 50-milligram per kilogram (mg/kg) screening criteria (up to 200,000 mg/kg) represents a REC for the project site. For demolition and disposal purposes, PCB concentrations were detected greater than the 50-mg/kg screening criteria, and the building materials are therefore considered "PCB bulk product waste" according to Title 40, Code of Federal Regulations (CFR) Part 761, and as hazardous waste by the Department of Toxic Substances Control (DTSC). Any contractor who may perform PCB-related work at the site (e.g., inspection, removal, or clean-up) must be trained and qualified to do so. All workers must also follow current Occupational Safety and Health Administration (OSHA) regulations, including Title 29 CFR Section 1910.120 and Title 8 California Code of Regulations (CCR) Section 5192, as well as other applicable federal, state, and local laws and regulations.
- A vapor encroachment condition (VEC) at the project site is likely to exist due to the documented presence of PCE in on-site soil and soil gas. The presence of potentially uncharacterized PCE and the likelihood of a possible VEC represents a REC for the project site. SMUD conducted indoor air sampling within the Tool Issue Building in April 2019. PCE and its breakdown products were not detected above residential SLs; therefore, conducting indoor air sampling within additional buildings was not deemed to be necessary at that time since the other buildings are considered to have lower VEC potential. SMUD has since conducted additional investigative work to further characterize PCE in the soil and soil gas at the project site.
- The presence of potentially uncharacterized arsenic represents a REC for the project site. AECOM's recommended next steps regarding arsenic include implementing a corrective action to address arsenic concentrations in soil at the site above naturally occurring levels. The range of site-specific arsenic background concentrations should be evaluated to select an appropriate arsenic clean-up goal.



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Although not considered RECs by ASTM Standards, the Phase I ESA included a review of available information regarding potential asbestos-containing materials (ACMs) and lead-based paint (LBP) that was identified in on-site building materials: The results of testing for asbestos during a survey performed in 2016 identified asbestos to be present in multiple materials from the buildings on the project site. Sampling also indicated the presence of LBP in multiple buildings.

The Phase I ESA report also identified one historical recognized environmental condition (HREC) within the project site: Between June 30 through July 3, 2014, tank removal operations were conducted to remove two 10,000-gallon unleaded gasoline fuel USTs and one 10,000-gallon diesel fuel UST. On August 8, 2014, the Sacramento County Environmental Compliance Division (SCECD) issued a letter stating that based on the results of the removal activities, it was their position that no further action was required at that time. Therefore, the successful documented removal of these USTs with regulatory agency concurrence is an HREC for the project site.

A pilot study was conducted in 2020 to determine whether soil vapor extraction (SVE) would be an effective technology to address volatile organic compound (VOC) contamination in soil gas. In May 2020, an initial five-day pilot test was performed using five wells. In August 2020, a long-term pilot test of the SVE system began and is ongoing (AECOM 2021a:2-6).

From June 2020 to March 2021, AECOM conducted additional site investigation activities to further characterize the lateral and vertical extent of VOCs, including PCE, in soil gas and to refine the lateral and vertical extent of arsenic in soil requiring remedial action. It was determined that additional VOCs besides PCE are present in soil gas at concentrations exceeding their respective screening criteria. Furthermore, a localized area of soil impacted by lead and total petroleum hydrocarbons as hydraulic oil was identified (AECOM 2021b).

In July and August 2021, AECOM conducted additional site investigation activities to evaluate seasonal and temporal variations for VOC concentrations in soil gas, further characterize the lateral and vertical extent of VOCs in soil gas, collect sub-slab vapor samples to use as an additional line of evidence regarding soil vapor attenuation at the site, and collect sewer gas data to evaluate sewer lines as a potential preferential pathway for vapor intrusion into buildings on site. It was determined that some of the VOCs that were detected at concentrations exceeding screening criteria during previous fall/winter sampling were not detected at concentrations exceeding screening criteria during the summer sampling event. The sub-slab vapor data were used to derive a site-specific soil vapor attenuation factor (AECOM 2021c).

2.3 Project Description

SMUD is proposing installation of a full-scale SVE system to remediate VOC-impacted soil gas, and excavation and disposal of soil contaminated with arsenic, lead, and petroleum hydrocarbons. In order to access the contamination, multiple buildings would require



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demolition and pavement would need to be removed. The “SMUD 59th Street Corporation Yard Demolition and Remediation Project” or “project” would include building demolition, pavement removal, decommissioning of the existing pilot study SVE system, installation and operation of the SVE system, and excavation and disposal of contaminated soil, and backfilling the excavation with clean fill material. All soil gas and soil remediation activities would be reviewed and must be approved by DTSC to ensure protection of human health and the environment. SMUD proposes to remediate the site to appropriate risk and exposure levels to be determined by DTSC. For purposes of this analysis, “project construction” means any demolition or remediation activities, including installation of the SVE system. Following complete site remediation to DTSC standards, SMUD will continue to be responsible for site maintenance and may seek entitlements for the future use of the site and/or transfer ownership of the parcel. Because future use of the site is not yet known and would be subject to City of Sacramento zoning and City development application and project approval processes, this analysis does not evaluate any future operation of the project site.

2.3.1 Demolition

In order to access areas of soil contamination for remediation, SMUD would demolish at least two buildings on the project site as well as areas of pavement (see Figure 2-3). The buildings currently known to require demolition are the Salvage Building and the Tool Issue Building. Because SMUD and DTSC are currently working to determine the level of remediation appropriate for the site, it is unknown whether other buildings would require demolition. However, given the extent of the contamination, it is possible that all buildings except the Office Building (see Figure 2-3) would require demolition to be able to appropriately access and remediate contaminated areas. Therefore, this analysis assumes demolition of all but the Office Building. Construction debris and non-hazardous soil would be disposed of at Kiefer Landfill while metal would be disposed at Alco or Schnitzer Steel.

As part of project construction, protective fencing with tree protection signs will be erected around all trees (or tree groups) to be preserved during construction activities. The protective fence will be installed at the limits of the tree protection zone, usually the dripline of the tree or as defined by the project arborist or biologist. This will delineate the tree protection area and prevent unwanted activity in and around the trees and will reduce soil compaction in the root zones of the trees and other damage from heavy equipment. SMUD’s construction contractor shall maintain the fence to keep it upright, taut, and aligned at all times. Fencing will be removed only after all construction activities near the trees are complete. Canopy or root pruning of any retained protected trees to accommodate construction and/or fire lane access will conform to the techniques and standards in the current edition of ANSI A300 (Tree, Shrub and Other Woody Plant Maintenance—Standard Practices) or International Society of Arboriculture Best Management Practices. Also, SMUD would comply with Sacramento City Code Section 12.56080(E) requiring approval from the City’s Public Works Director prior to any work that may cause injury or removal of city and/or protected private trees.



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2.3.2 Soil Vapor Extraction System

In order to remove the PCE soil vapor from the soil on the project site, SMUD would install one or more SVE systems. The size and number of systems would not be known until DTSC has determined the appropriate remediation level for the site. The SVE system is a portable unit, but any items fixed to the adjacent buildings such as conduit or electrical boxes will need to meet the California Building Code (CBC).

SVE systems are used to remove VOCs sorbed to soil in the unsaturated (vadose) zone (EPA 2010). Air is extracted from, and sometimes injected into, the vadose zone to strip VOCs from the soil and transport the vapors to ex situ treatment systems for VOC destruction or recovery (EPA 2010). SVE involves drilling one or more extraction wells into the contaminated soil to a depth above the water table, which must be deeper than 3 feet below the ground surface. Attached to the wells is equipment (such as a blower or vacuum pump) that creates a vacuum. The vacuum pulls air and vapors through the soil and up the well to the ground surface for treatment. Extracted air and contaminant vapors, sometimes referred to as "off-gases," are treated to remove any harmful levels of contaminants. The off-gases are first piped from the extraction wells to an air-water separator to remove moisture, which interferes with treatment. The vapors are then separated from the air, usually by pumping them through containers of activated carbon. The chemicals are captured by the carbon while clean air exits to the atmosphere. Filter materials other than activated carbon may be used. In a process called "biofiltration," tiny microbes (bacteria) are added to break down the vapors into gases, such as carbon dioxide and water vapor. Another option is to destroy vapors by heating them to high temperatures. (EPA 2012)

During remediation activities while the SVE system is running, it is anticipated that the site would be visited approximately twice per week but that there would be no regular daily presence of employees on the project site.

2.3.3 Soil Excavation

To remediate the site for arsenic contamination in the soil, SMUD would excavate and remove soil from the project site. Based on the known location and extent of arsenic contamination, SMUD estimated that it would remove approximately 10,000 cubic yards of soil with excavation depths no greater than 15 feet. Soil classified as hazardous waste would either require disposal at a class I or II landfill (i.e., Recology Hay Road, Clean Harbors Buttonwillow, or Waste Management Kettleman Hills). Note, if additional soil impacts are found during excavation activities, SMUD plans to remove all soil contamination to the maximum extent practicable.



Source: Image provided by AECOM in 2021

Figure 2-3. Site Buildings



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2.3.4 Project Operation

As the project includes remediation of the project site and installation of the SVE system, project operation would consist of the operation of the SVE system for up to 4 years. During this operational phase, there would be up to two worker visits to the site per week which would include the periodic removal of drums containing material generated by the SVE system. Following complete site remediation to DTSC standards, SMUD will continue to be responsible for site maintenance and may seek entitlements for the future use of the site and/or transfer ownership of the parcel. Because future use of the site is not yet known and would be subject to City of Sacramento zoning and City development application and project approval processes, this analysis does not evaluate any future operation of the project site.

2.3.5 Project Schedule

While SMUD is still coordinating with DTSC to determine the appropriate level of remediation for the site, this analysis assumes that project construction activities would begin in 2022 and last approximately 8 months, ending in late 2022 or early 2023, while project operation (i.e., operation of the SVE system) would last for approximately 4 years following completion of construction activities. Construction intensity and hours would be in accordance with the City of Sacramento's Noise Ordinance, contained in Title 8, Chapter 8.68 of the Sacramento City Code. Construction would be limited to the hours between 7 a.m. and 6 p.m. Monday through Saturday, and between the hours of 9 a.m. and 6 p.m. on Sunday. Night and weekend work is not anticipated for most of the project, though emergency situations may require nighttime or weekend activities. Operation of the SVE system is expected to last approximately 4 years following demolition, remediation, and construction activities.

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 CEQA documentation and determining if the project should be approved. Other potential permits required from other agencies could include:

State

- **State Water Resources Control Board/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 (SWPPP) that would specify storm water best management practices (BMPs).



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

Local

- **Sacramento Metropolitan Air Quality Management District (SMAQMD):** Authority to Construct/Permit to Operate pursuant to SMAQMD Regulation 2 (Rule 201 et seq.).
- **City of Sacramento:**
 - Grading permit to comply with the requirements of the City's Stormwater Quality Improvement Plan (SQIP).

3. 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.



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- 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>

3.1.1 Environmental Setting

The project site includes the existing buildings at SMUD's corporation yard located at 1708 59th Street in East Sacramento. The topography of the project site and surrounding areas is generally flat. Extensive suburban development exists around the project site, including shopping centers, residences, and industrial buildings. Most structures in the area are one to two stories in height. Landscaping on the project site is limited to the perimeter and includes some mature trees and a variety of shrubs. The visual character of the project site is typical of the Sacramento metropolitan area, which includes commercial and industrial buildings, residences, roads, utility lines, trees, and landscaping. Distant views towards the coast ranges or the Sierra Nevada foothills are largely limited due to existing surrounding buildings and the developed nature of the project area.

3.1.2 Discussion

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

Less than Significant. 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 2035 General Plan Update* designates the American River and Sacramento River, including associated parkways, the State Capitol (as defined by the Capitol View Protection Ordinance), and important historic structures listed on the Sacramento Register of Historic and Cultural Resources, California and/or National Registers as scenic resources (City of Sacramento

2014a:4.13-4). The closest scenic resource to the project site is the American River, located approximately 0.9 miles northeast of the project site. Between the project site and the American River, there is extensive residential and commercial development that prevents views of the American River. Views in the project vicinity are limited because of the flat terrain and the level of development/landscaping that preclude long-range views. Views from the project site are short- to mid-range and typically reflect the urban character of the surroundings, which are not considered scenic vistas. Further, the project would not involve the operation of above-ground facilities that could further impede long-distance views in the area. Therefore, the project would have a **less-than-significant** impact, 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?

No Impact. The nearest designated scenic roadway is Route 160, approximately 6.5 miles southwest of the project area (Caltrans 2019). Because there are no designated state scenic highways within, adjacent to, or visible from the project area, the project would not substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway. The project would have **no impact**, 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. During project construction, including demolition and remediation activities, views in the project area along 59th Street and from north of the project site would be modified as a result of the presence of construction equipment and activities. However, the appearance of construction equipment and activities would be temporary, and once construction activities are complete, the project site would include fewer buildings and less pavement than prior to the project. The project does not propose any zoning changes and project uses would be consistent with existing site uses. Therefore, the project would not conflict with any zoning or scenic quality regulations. Because impacts would be limited to construction, and the project would remove structures, and does not include development of additional structures, the project would have a **less-than-significant** impact related to a 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?

No Impact. Construction activities would occur during daylight hours and would not require nighttime lighting. Construction equipment is unlikely to have reflective surfaces, other than what is required for safety purposes and would not be a substantial source of



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glare in the area. Lighting at the project site as a result of project implementation would be similar to existing security lighting present at the project site. This minimal security lighting is not anticipated to adversely affect nighttime view in the project area. Therefore, the project would have a ***less-than-significant*** impact related to light and glare, and no mitigation is required.

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.				
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.				
Would the project:				
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?				

3.2.1 Environmental Setting

The project site is located in a highly developed, urban area of Sacramento, and the project site is identified as urban and built-up land by the California Department of Conservation's (DOC's) Farmland Mapping and Monitoring Program (FMMP) (DOC 2017). No agricultural land or operations are located on or adjacent to the project site.

No portions of the project site or adjacent parcels are held under Williamson Act contracts (DOC 2015).

There are no areas either within or adjacent to the project site that are zoned as forestland, timberland, or Timberland Production Zone (City of Sacramento 2019).

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 site 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 timberland. As noted above, there are no active agricultural operations within or near the project site, and there are no Williamson Act contracts associated with the project site. No existing agricultural or timber-harvest uses are located on or near the project site. 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, 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 six pollutants, as well as sulfates, hydrogen sulfide (H₂S), vinyl chloride, and visibility-reducing particles. 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 sources 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 reactive organic gases (ROG), also sometimes referred to as volatile organic compounds by some regulating agencies) and nitrogen oxides (NO _x). The main sources of ROG and NO _x , often referred to as ozone precursors, are products of combustion processes (including motor vehicle engines) and the evaporation of solvents, paints, and fuels.	Ozone causes eye irritation, airway constriction, and shortness of breath and can aggravate existing respiratory diseases such as asthma, bronchitis, and emphysema.
Carbon monoxide	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.
Particulate matter	Some sources of particulate matter, such as wood burning in fireplaces, demolition, and construction activities, are more local in nature, while others, such as vehicular traffic, have a more regional effect.	Scientific studies have suggested links between fine particulate matter and numerous health problems, including asthma, bronchitis, and acute and chronic respiratory symptoms, such as shortness of breath and painful breathing. Recent studies have shown an association between morbidity and mortality and daily concentrations of particulate matter in the air.
Nitrogen dioxide	NO ₂ is a reddish-brown gas that is a by-product of combustion processes. Automobiles and industrial	Aside from its contribution to ozone formation, NO ₂ can increase the risk of acute and chronic respiratory disease and reduce visibility.



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Pollutant	Sources	Effects
	operations are the main sources of NO ₂ .	
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 effects including neurological, endocrine, and cardiovascular effects.

Sources: EPA 2019

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

The project site is located 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 federal and State ozone standards, the federal PM_{2.5} standard, and the State PM₁₀ standard. The region is designated as in attainment or unclassifiable for all other federal and State ambient air quality standards. (CARB 2021).

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 a plan for achieving the State and federal ozone standards that was updated and approved by the SMAQMD Board and the California Air Resources Board (CARB) in 2017. 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 (NO_x and ROGs), toxic air contaminants (TACs), and odors within its jurisdiction.



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At the local level, air districts may adopt and enforce CARB control measures. Under SMAQMD Rule 201 (“General Permit Requirements”), Rule 202 (“New Source Review”), and Rule 207 (“Federal Operating Permit”), all sources that possess the potential to emit TACs are required to obtain permits from SMAQMD. Permits may be granted to these operations if they are constructed and operated in accordance with applicable regulations, including New Source Review standards and air toxics control measures. SMAQMD limits emissions and public exposure to TACs through a number of programs. SMAQMD prioritizes TAC-emitting stationary sources based on the quantity and toxicity of the TAC emissions and the proximity of the facilities to sensitive receptors. Sensitive receptors are people, or facilities that generally house people (e.g., schools, hospitals, residences), that may experience adverse effects from unhealthful concentrations of air pollutants.

SMAQMD published the *Guide to Air Quality Assessment in Sacramento County*, which provides air quality guidance when preparing CEQA documents. This document was last updated in April 2020. SMAQMD’s 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 SMAQMD recommendations, air quality impacts are considered significant if the project would result in any of the following:

- Construction-generated emissions of NO_x exceeding 85 pounds per day (lbs/day), PM₁₀ exceeding 80 lbs/day or 14.6 tons per year (tpy), or PM_{2.5} exceeding 82 lbs/day or 15 tpy;
- Operational emissions of ROG exceeding 65 lbs/day, NO_x exceeding 65 lbs/day, PM₁₀ exceeding 80 lbs/day or 14.6 tpy, or PM_{2.5} exceeding 82 lbs/day or 15 tpy;
- CO emissions that would violate or contribute substantially to concentrations that exceed the 1-hour CAAQS of 20 parts per million (ppm) or the 8-hour CAAQS of 9 ppm during construction and operations;
- Expose any off-site sensitive receptor to a substantial incremental increase in TAC emissions that exceed 10 in one million for carcinogenic risk (i.e., the risk of contracting cancer) and/or a noncarcinogenic hazard index of 1.0 or greater; or
- Create objectional odors affecting a substantial number of people.



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In addition to these thresholds, SMAQMD's guide indicates that without the application of recommended best management practices (BMPs) and Best Available Control Technology (BACT), the threshold for PM₁₀ and PM_{2.5} during construction and operations is zero pounds per day.

3.3.2 Discussion

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

Less than Significant with Mitigation Incorporated. As discussed previously, SMAQMD developed thresholds of significance for air quality impacts in consideration of achieving attainment for the NAAQS and CAAQS, which represent concentration limits of criteria air pollutants needed to adequately protect human health.

A Phase I ESA was conducted on the project site by AECOM in February 2020. The Phase I ESA identified contaminants that could be airborne and harm the health of people residing nearby. The assessment identified asbestos, lead and polychlorinated biphenyl (PCBs) concentrations in the building materials, arsenic in the soil, and VOCs, specifically, tetrachloroethene (PCE), trichloroethene (TCE), and cis-1,2-dichloroethene (cis-DCE) in the form of soil gas (AECOM 2021b).

The Warehouse, Salvage, and Tool Issue buildings have currently been found to contain arsenic contamination in the underlying soil. SMUD and DTSC are working to determine whether other buildings (except the Office building) would require demolition in order to install remediation systems. To provide a complete analysis of potential demolition activities, the Hazardous Material and Shops buildings were also considered to be demolished in the analysis. After demolition of the buildings, approximately 10,000 cubic yards of contaminated soil with excavation depths no greater than 15 feet would be removed and disposed to the nearby Class I, II, or III landfill (i.e., Kiefer Boulevard, Recology Hay Road, Clean Harbors Buttonwillow, or Waste Management Kettleman Hills). Site preparation and grading construction phases were assumed to reflect on-site and off-site emissions from the contaminated soil removal process.

A pilot study was conducted in 2020 by AECOM to determine whether SVE would be an effective technology to address VOC contamination in soil gas. In May 2020, an initial five-day pilot test was performed using five wells. In August 2020, a long-term pilot test of the SVE system began and is ongoing (AECOM 2021a:2-6). SMUD has decided to install one or more SVE systems for removing the soil vapor. The system would be transported to the site and would be monitored periodically. For the purpose of the analysis, 4 daily worker trips and 2 daily vendor trips have been conservatively assumed. The SVE system would utilize either activated carbon or other treatment technologies to actively treat soil vapor. The SVE system will be permitted through the SMAQMD to ensure emissions are below the human health risk levels as determined by SMAQMD. Since the SVE system will be using active treatment, it is not anticipated that vapor emissions of PCE, TCE, cis-DCE would exceed the associated health risk screening



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levels determined by SMAQMD. For purposes of this analysis, “project construction” means any demolition or contaminated soil removal activities. The construction activities are anticipated to occur beginning in 2022 and last approximately 8 months, ending in late 2022. The project is expected to result in operational activities including the operation of the SVE system and periodic removal of drums containing material generated by the system. The pilot test study reported that SMAQMD has issued a permit exemption to operate the SVE and carbon adsorption system to vent treated air from the site for 24 hours per day for four years. Accordingly, this analysis assumes that the SVE system will operate for four years. A new permit or modified exemption would be required if operation of the system extends beyond four years.

The goal of the project is to remediate the site to appropriate risk and exposure levels. Following complete site remediation, SMUD will continue to be responsible for site maintenance and may seek entitlements for the future use of the site and/or transfer ownership of the parcel. Because future use of the site is not yet known and would be subject to City of Sacramento zoning and City development application and project approval processes, this analysis does not evaluate any future operation of the project site beyond four years of operation of the SVE system. Thus, the project is anticipated to result in long-term operational emissions of criteria air pollutants and precursors but would be negligible and temporary. Table 3.3-2 summarizes the modeled maximum daily emissions for all pollutants and annual emissions for particulate matter from the operational activities. The operations with the application of BMPs 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. Therefore, with the application of the BMPs, the project’s contribution to operational criteria pollutants and precursors would not contribute to the exceedance of the NAAQS or CAAQS in the County nor result in greater health impacts compared to existing conditions.

Emissions from project construction were estimated using the California Emissions Estimator Model (CalEEMod) Version 2020.4.0 computer program in accordance with recommendations by SMAQMD and other air districts (CAPCOA 2016). Emissions from worker and vendor trips for the installation and operation of the SVE system were also estimated using CalEEMod in a separate model run. Maximum daily VOC emissions from the SVE system are reported based on the permit exemption and screening health risk assessment completed by SMAQMD. Modeling was based on project-specific information, where available; otherwise, CalEEMod default values were used that are based on the project’s location and land use type.

Construction activities would result in project-generated emissions of ROG, NO_x, PM₁₀, and PM_{2.5} from demolition activities, earth moving, off-road equipment, material delivery, and worker commute trips. Based on the size of buildings demolished and contaminated soil removed, and CalEEMod defaults, the activities would likely require the use of industrial saw, rubber-tired dozers, tractors/loaders, and graders. Fugitive dust emissions of PM₁₀ and PM_{2.5} would be associated primarily with demolition and removal of contaminated soil, and vary as a function of soil silt content, soil moisture, wind speed,



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acreage of disturbance, and vehicle miles traveled on and off the site. Emissions of ozone precursors, ROG and NO_x, are associated primarily with equipment required for demolition and on-road mobile exhaust.

Operational activities would include worker trips and occasional use of a forklift and a flatbed truck for removal of the drums containing material generated by the SVE system. The operational activities would last for four years. For assumptions and modeling inputs, refer to Appendix A.

As noted in the Section 2.2, "Project Description", the project would typically be limited to daily construction hours between 7 a.m. and 6 p.m. Monday through Saturday, and between the hours of 9 a.m. and 6 p.m. on Sunday. The analysis assumes that all equipment would be used for eight hours in a day as each equipment usually operate lesser than the actual timeframe of the construction activity. As such, reported emissions represent a conservative estimate of maximum daily emissions during the construction period. 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 demolition and remediation activities without the application of BMPs and BACTs.

Table 3.3-2 Summary of Unmitigated Emissions Generated During Project Construction and Operations

Year – 2022	Maximum Daily Emissions (lbs/day)				Annual Emissions (tons/year)	
	ROG	NO _x	PM ₁₀	PM _{2.5}	PM ₁₀	PM _{2.5}
Construction Phase						
Demolition and Removal of Contaminated Soil	3	33	20	11	<1	<1
SMAQMD Threshold of Significance ^b	None	85	0	0	14.6	15
Exceeds Threshold?	No	No	Yes	Yes	No	No
Operational Phase						
SVE System and Drum Removal – Mobile	<1	<1	<1	<1	<1	<1
SVE System and Drum Removal – Off Road	<1	1	<1	<1	<1	<1
Total	<1	1	<1	<1	<1	<1
SMAQMD Threshold of Significance ^b	65	65	0	0	14.6	15
Exceeds Threshold?	No	No	Yes	Yes	No	No

Notes: ROG = reactive organic gases; NO_x = oxides of nitrogen; PM₁₀ = respirable particulate matter; PM_{2.5} = fine particulate matter; lbs/day = pounds per day; SMAQMD = Sacramento Metropolitan Air Quality Management District

^a. Includes cis-DCE, TCE, and PCE. ROG is used to represent volatile organic compound emissions from the SVE system.

^b. Represents SMAQMD Threshold of Significance without the application of BMPs and BACT.

Maximum daily emissions represent non-overlapping phases. See Appendix A for details.

Source: Modeled by Ascent Environmental in 2021



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As shown in Table 3.3-2, project demolition and remediation would not generate emissions in excess of the SMAQMD thresholds for ROG and NO_x, nor would it result in a significant increase in annual emissions of PM₁₀ and PM_{2.5}. However, the project, without the application of BMPs and BACT, would generate daily emissions of PM₁₀ and PM_{2.5} in excess of the SMAQMD thresholds during construction activities. Therefore, the impact of construction activities would be potentially significant.

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

During demolition and remediation, the contractor shall comply with and implement SMAQMD's Basic Construction Emission Control Practices, which includes SMAQMD-recommended BMPs and BACT, for controlling fugitive dust emissions. Measures to be implemented include the following:

- Water all exposed surfaces at least two times daily during working hours to keep soil moist and prevent dust. Exposed surfaces include, but are not limited to, soil piles, graded areas, unpaved parking areas, staging areas, and access roads. Contaminated stockpiles to be covered at all times. If a contaminated stockpile becomes inactive (no work for 14 days), it will continue to be covered.
- Fabric will be installed on the perimeter chainlink fence to prevent fugitive dust from the site.
- Monitor air quality for fugitive dust emissions.
- Cover or maintain at least two (2) feet of freeboard space on haul trucks transporting soil, sand, or other loose material on the site. Cover any haul trucks that will be traveling along freeways or major roadways.
- 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 speed on unpaved roads to 15 miles per hour.
- All roadways, driveways, sidewalks, parking lots to be paved should be completed 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.



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- Maintain all equipment in proper working condition according to manufacturer's specifications. Equipment will be checked by a certified mechanic and determined to be running in proper condition before it is operated.

Mitigation Measure 3.3-2: Implement SMAQMD Basic Construction Emission Control Practices.

During operations, SMUD shall comply with and implement SMAQMD's BMPs for Operational PM Emissions to support the use of the SMAQMD's non-zero thresholds of significance. Measures to be implemented include the following:

- Compliance with District rules that control operational PM and NO_x emissions. Reference rules regarding wood burning devices, boilers, water heaters, generators and other PM control rules that may apply to equipment to be located at the project.
- Compliance with anti-idling regulations for diesel powered commercial motor vehicles (greater than 10,000 gross vehicular weight rating). This BMP focuses on non-residential land use projects (retail and industrial) that would attract these vehicles. The current requirements include limiting idling time to 5 minutes and installing technologies on the vehicles that support anti-idling.

Implementation of Mitigation Measure 3.3-1 and 3.3-2 would be considered application of BMPs and BACT, which sets the threshold of significance for PM₁₀ to 80 lbs/day for construction, and 65 lbs/day for operations and for PM_{2.5} to 82 lbs/day for construction and 65 lbs/day for operations. The project emissions of PM₁₀ and PM_{2.5} from construction and operational activities are below these thresholds. In addition, implementation of Mitigation Measure 3.3-1 and 3.3-2 would serve to further reduce emissions of PM₁₀ and PM_{2.5} during construction and operational activities. With implementation of Mitigation Measure 3.3-1 and 3.3-2, the emissions of criteria air pollutants and precursors would not exceed the SMAQMD-recommended thresholds and hence, would not expose sensitive receptors to substantial pollutant concentrations such that adverse health impacts would occur. Therefore, the project emissions would not contribute to the exceedance of the NAAQS or CAAQS in the County and would be consistent with applicable air quality plans. Thus, the impact would be less than significant with mitigation incorporated.



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- 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. Project construction and operational activities would result in emissions of criteria air pollutants. Sacramento County is currently in nonattainment for federal and State ozone, State PM₁₀, and federal PM_{2.5} standards. Ozone impacts are the result of cumulative emissions from numerous sources in the region and transport from outside the region. Ozone is formed in 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. This impact would be potentially significant.

Implementation of Mitigation Measure 3.3-1 and 3.3-2 (above) would reduce project emissions and ensure that project related emissions of NO_x, ROG, PM₁₀, and PM_{2.5} would not exceed SMAQMD thresholds during project construction and operational activities. Implementation of SMAQMD BMPs and BACT would reduce fugitive dust emissions to the extent feasible. In addition, cleanup of contaminated soil would release VOCs (i.e., PCE, cis-DCE and TCE). To extract VOCs from the soil safely, an SVE system would be used onsite. The SVE system would remove most of the vapors, but a small amount of vapors would be released. As reported in the permit exemption application approved by SMAQMD, maximum expected VOC emissions from the equipment would not exceed 2 lbs/day (AECOM 2021a).

Emissions due to project construction activities would be temporary and would not be generated following completion of the project. The goal of the project is to remediate the site to appropriate risk and exposure levels. The temporary construction activities are necessary to achieve this goal and would serve to reduce potential emissions of and exposure to pollutants from the site. Emissions would also be generated during project operations but would be negligible and temporary. Therefore, with mitigation, short-term project-generated construction and 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. 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. The project is located adjacent to sensitive receptors including single-family residential units located adjacent to the west, and north of the site, St. Mary's Catholic Church approximately 700 feet to the north and Phoebe A. Hearst Elementary School approximately 900 feet to the northeast of the project site.

Project construction activities would result in temporary, intermittent emissions of diesel particulate matter (diesel PM) from the exhaust of off-road, heavy-duty diesel equipment. The operational activities would also result in emissions of diesel particulate matter (diesel PM) from the worker trips and occasional usage of forklifts and flatbed trucks. For these activities, 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).

Other TACs such as PCE, TCE, and cis-DCE were also identified in the soil during the Phase I ESA. A pilot study was conducted in 2020 to determine whether SVE would be an effective technology to address the contamination. The results of the pilot study suggested that vapor build-up could be remediated using the SVE system (AECOM 2021b). In addition, SMAQMD reviewed a permit exemption request for use of the SVE system and determined that the use is exempt from the permitting requirements of SMAQMD Rule 201, Section 122 because the total maximum expected VOC emissions from the equipment will be less than 2 lbs in any 24-hour period. This determination was based on the maximum concentrations from the pilot test conducted on May 22, 2020. Furthermore, screening health risk assessment results showed a cancer risk of less than 1.0 in a million and a hazard index of less than 1.0, which are below the SMAQMD's air toxics permitting criteria. These findings are based on operation of the SVE system 24 hours per day for two years. Assuming the system will continue to operate within the identified parameters, it would not expose nearby sensitive receptors to substantial VOC concentrations.

The Phase I ESA also identified arsenic in the soil and lead, PCB, and asbestos in the building materials. The remediation of the site would involve removing the demolished building materials and contaminated soil and transporting them to the appropriate landfill facilities. Because the project involves demolition of commercial buildings, it would be subject to Rule 902 which applies to demolition or renovation of any buildings containing asbestos. Compliance with this rule entails notifying SMAQMD of disturbance of any asbestos containing building and meeting construction requirements to safely dispose the asbestos



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containing material. Compliance with this rule would ensure asbestos dust from demolished buildings is contained and disposed in a safe manner. The same control measures would also serve to contain emissions of lead and PCB from demolished materials.

In addition, implementation of Mitigation Measure 3.3-1 would ensure that the contaminated soil would be disposed safely. The soil would be disposed at a Class I, II, or III landfill (i.e., Kiefer Boulevard, Recology Hay Road, Clean Harbors Buttonwillow, or Waste Management Kettleman Hills). Furthermore, for trucking of these hazardous materials, including lead-contaminated building materials, SMUD and the construction contractors would be required to comply with federal and State hazardous materials transportation laws including CFR Title 49, Sections 100 to 185, and the California Environmental Protection Agency's Unified Program. Compliance with these rules and regulations would significantly reduce any potential for accidental release of hazardous materials during implementation of the project. For further details on these identified contaminants, refer to Section 3.9, "Hazards and Hazardous Materials."

A Health Risk Assessment was conducted by Ascent Environmental to study the potential impacts of diesel PM on the nearby sensitive receptors (see Appendix B). Based on emissions modeling, average daily emissions of exhaust PM₁₀ would not exceed 2.0 lbs/day during project construction, and the HRA showed that health risk would be 6.42 in a million, which is below the carcinogenic health risk threshold of 10 in a million.

As noted previously, these estimates represent a conservative analysis as construction and operational activities would only occur nearby each sensitive receptor during a short period of time and receptors would not likely be outdoors and exposed to these concentrations for the entire duration. In addition, the hazardous materials and contaminants would be removed and transported to the respective facilities in compliance with Rule 902 and the hazardous materials transportation laws. Thus, the project would not expose sensitive receptors to substantial pollutant concentrations and impact would be **less than significant**, and no mitigation is required.

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

Less than Significant. Minor odors from the use of heavy-duty diesel equipment during project construction activities would be intermittent and temporary and would dissipate rapidly from the source within an increase in distance. Therefore, the project is not anticipated to result in an odor-related impact. The project would also result in operational activities but since it would occasionally use heavy-duty diesel equipment and would only be used for four years, it would not generate long-term objectionable odors. The project does not include activities that typically generate odors, such as wastewater treatment facilities, sanitary landfills, composting facilities, petroleum refineries, chemical manufacturing plants, or food processing facilities. 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 is 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 on the project site and evaluates potential impacts to these resources as a result of project implementation. To determine the biological resources that may be subject to impacts from the project, Ascent biologists reviewed several existing data sources including:

- ▶ California Natural Diversity Database (CNDDB) (CDFW 2021);
- ▶ California Native Plant Society (CNPS) Online Inventory of Rare and Endangered Plants (CNPS 2021);
- ▶ U.S. Fish and Wildlife Service (USFWS) Information, Planning, and Consultation System (IPaC) (USFWS 2021a); and



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- ▶ USFWS National Wetlands Inventory (USFWS 2021b).

Vegetation and Landcover Types

The project site is currently developed and is located in a highly developed area with residential, industrial, and commercial land uses around it. The project site is relatively flat. The landcover type of the entirety of the project site is classified as “developed.” Vegetation within the project site consists of native and non-native ornamental vegetation. Vegetation includes valley oak (*Quercus lobata*), tree-of-heaven (*Ailanthus altissima*), white oak (*Quercus alba*), pecan (*Carya illinoensis*), Crape myrtle (*Lagerstroemia indica*), privet (*Ligustrum* sp.), camellia (*Camellia* sp.), Indian hawthorn (*Rhaphiolepis indica*), Japanese pittosporum (*Pittosporum tobira*), Chinese pistache (*Pistacia chinensis*), maidenhair tree (*Ginkgo biloba*), live oak (*Quercus* sp.), sweetgum (*Liquidambar styraciflua*), catalpa (*Catalpa* sp.), Persian silk tree (*Albizia julibrissin*), Russian thistle (*Kali tragus*), willowleaf lettuce (*Lactuca saligna*), holly (*Prunus* sp.), Fernald iris (*Iris fernaldii*), prickly lettuce (*Lactuca serriola*), ivy (*Hedera* sp.), wildoats (*Avena fatua*), and Bermuda grass (*Cynodon dactylon*).

Wildlife

Developed areas support common birds and mammals that have adapted to urban environments. Wildlife species observed in the project site include California scrub-jay (*Aphelocoma californica*), American crow (*Corvus brachyrhynchos*), northern mockingbird (*Mimus polyglottos*), bushtit (*Psaltiriparus minimus*), house finch (*Haemorhous mexicanus*), red-shouldered hawk (*Buteo lineatus*), house sparrow (*Passer domesticus*), European starling (*Sturnus vulgaris*), black phoebe (*Sayornis nigricans*), rock pigeon (*Columba livia*), northern flicker (*Colaptes auratus*), Nuttall’s woodpecker (*Picoides nuttallii*), Anna’s hummingbird (*Calypte anna*), American robin (*Turdus migratorius*), and western screech owl (*Megascops kennicottii*).

Other species expected to occur include raccoon (*Procyon lotor*), Virginia opossum (*Didelphis virginiana*), and striped skunk (*Mephitis mephitis*).

Sensitive Biological Resources

Sensitive biological resources are protected and/or regulated by federal, state, and/or local laws and policies outlined in this memorandum under Key Regulatory Issues.

Special-Status Species

Special-status species are plants and animals in the following categories:

- ▶ listed or proposed for listing as threatened or endangered under the federal Endangered Species Act (ESA) or are candidates for possible future listing;



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- ▶ listed or candidates for listing by the State of California as threatened or endangered under the California Endangered Species Act (CESA);
- ▶ listed as rare under the California Native Plant Protection Act;
- ▶ listed as Fully Protected under the California Fish and Game Code;
- ▶ identified by the California Department of Fish and Wildlife (CDFW) as species of special concern;
- ▶ plants considered by CDFW to be “rare, threatened, or endangered in California” and assigned a California Rare Plant Rank (CRPR). Species on these lists may meet the CEQA definition of rare or endangered. They are summarized as follows:
 - CRPR 1A - Plants presumed to be extinct in California;
 - CRPR 1B - Plants that are rare, threatened, or endangered in California and elsewhere;
 - CRPR 2A - Plants that are presumed extirpated in California, but more common elsewhere;
 - CRPR 2B - Plants that are rare threatened, or endangered in California, more common elsewhere;
- ▶ 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 (CEQA Guidelines, Appendix G); or
- ▶ otherwise meets the definition of rare or endangered under CEQA Section 15380(b) and (d).

Based on a review of existing data sources (CDFW 2021, CNPS 2021, USFWS 2021a), 13 special-status wildlife species and 17 special-status plant species have potential to occur in the area surrounding the project site. The majority of these species nest, forage, or are associated with habitat that does not occur on the project site, such as riverine, vernal pool, wetland, Valley and foothill grassland, or riparian habitat, which do not occur on the project site.

There is no critical habitat for special-status wildlife species on or near the project site (USFWS 2021a). The National Wetlands Inventory does not contain records of wetlands in the project site (USFWS 2021b).

The project site, however, is adjacent to potentially suitable habitat (landscape trees along H Street) for Swainson’s hawk (*Buteo swainsoni*), white-tailed kite (*Elanus leucurus*) and native bird species that do not have a special-status designation but are afforded protection under state law. No other special-status wildlife is expected to occur on the project site due to lack of habitat suitable for those species.

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. Demolition and remediation activities associated with the project would be located within developed land and the project would have no impact on most special-status species. However, potential nesting habitat for Swainson's hawk, white-tailed kite, and native bird species protected under state law is adjacent to the site.

Although the project site contains trees that could provide nesting sites for Swainson's hawk and white-tailed kite, foraging habitat is limited near the project site and therefore nesting potential is somewhat reduced by a lack of proximate foraging habitat. White-tailed kites generally nest within 0.5 mile of foraging habitat and are rarely found away from their preferred foraging habitats, which include alfalfa and other hay crops, irrigated pastures, sugar beets, and tomatoes (Erichsen et al. 1994, Dunk 1995, CDFW 2005). Swainson's hawk nest sites are generally located within approximately 2 miles of suitable foraging habitat, which consists of alfalfa, disked fields, fallow fields, dry-land pasture, beets, tomatoes, irrigated pasture, grains, other row crops, and uncultivated grasslands (Estep 1989, Estep 2009). While Swainson's hawks may forage 10 miles or more from their nest sites, foraging habitat within 1 mile of the nest is of primary importance and reproductive success decreases for Swainson's hawks as distance from foraging habitat increases (Estep 1989, England et al. 1995 in Estep 2009, England et al. 1997).

There are 30 CNDDDB records (includes unprocessed data from CNDDDB¹) of nesting Swainson's hawks (*Buteo swainsoni*) within 5 miles of the project site (CDFW 2021). 14 of these occurrences are within the riparian area along the Sacramento River to the west of the project, 10 occurrences are within the riparian corridor of the American River to the north of the project, and six occurrences are within the urban grid of midtown Sacramento. The nearest Swainson's hawk nest is approximately 2 miles to the northeast of the project site within the American River Parkway. While the project is highly developed, Swainson's hawks are known to nest in urban settings in some locations. Although the project site is within 10 miles of known Swainson's hawk nesting locations, because of its urban nature, the project site does not contain suitable foraging habitat for Swainson's hawk (e.g., row crops, field crops, pasture).

¹ Because CDFW allows digital submissions of species sightings, there is currently a backlog of submissions not yet vetted by CDFW staff. These submissions are available for review, but are considered "unprocessed" data.



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There are eight CNDDDB records (includes unprocessed data from CNDDDB) of nesting white-tailed kite. The nearest CNDDDB record for white-tailed kite is approximately 1.5 miles to the northeast, along the north bank of the American River (CDFW 2021). This species is known to nest in riparian areas and within urban settings.

As noted above, there are no known occurrences for either Swainson's Hawk or white-tailed kite, and the site also does not present foraging habitat for either species. However, due to the presence of several mature trees in and around the project site and based on documented occurrences of these two species nesting within urban areas, there is a remote potential that either species could nest near or adjacent to the project site. If so, there is a potential that construction activities at the project site could result in nest disturbance, which would be considered a significant impact.

In addition to providing potential nesting sites for Swainson's hawk and white-tailed kite, mature trees in the project site and adjacent area could support nests of common raptors. The common raptors that may nest within or adjacent to the project site include: western screech owl, Cooper's hawk (*Accipiter cooperii*), red-tailed hawk (*Buteo jamaicensis*), red-shouldered hawk (*Buteo lineatus*), and great horned owl (*Bubo virginianus*). In addition to common raptors, vegetation within and adjacent to the project site may also support other common nesting birds.

Destruction of any bird nest or take of the nest or eggs of any bird is a violation of Section 3503 of the California Fish and Game Code. Project demolition could include removal of the landscape trees 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 demolition, 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. Loss of active bird nests would be a significant impact.

Mitigation Measure 3.4-1: Avoid disturbance of nesting birds

Ornamental vegetation shall be removed within the project site outside of the nesting bird season (September 1 – January 31).

If vegetation removal, demolition activities, or construction will occur during the nesting season (between February 1 and August 31), a SMUD project biologist/biological monitor will conduct pre-construction nesting bird surveys to determine if birds are nesting in the work area or within 0.25 mile for Swainson's hawk, and within 500 feet of the work area for non-listed raptors, and within the project site for all other nesting birds.



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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 or no nesting raptors are found within 500 feet or no nesting birds are found within the project site during the pre-construction clearance surveys, construction activities may proceed as scheduled.

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 impacting 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 proposed project. However, the qualified biologist shall consult with the California Department of Fish and Wildlife to confirm the adequacy of the no-disturbance buffer and/or if the buffer is reduced based on the biologist professional judgement.

If an active nest of non-listed raptor species is found in or within 500 feet of the project site during construction, a "No Construction" buffer zone will be established around the active nest. Similarly, if a passerine nest is found within the project site during construction a "No Construction" buffer zone will be established around the active nest (usually 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 situation, 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 has determined that with implementation of an appropriate buffer, work activities would not disturb the bird's nesting behavior.

If special-status bird species are found nesting on or within 500 feet of the project site, the project biologist/biological monitor shall notify SMUD's project manager to notify CDFW or USFWS, as appropriate, within 24 hours of first nesting observation.

Implementation of Mitigation Measure 3.4-1 would minimize impacts to special-status bird species by requiring pre-construction nesting surveys for nesting birds, and no-disturbance buffers around active nests. With implementation of Mitigation Measure 3.4-1, potential impacts to nesting birds would be reduced to a ***less-than-significant*** level.



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- 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 site is located within currently developed areas, and landscaped vegetation and does not contain sensitive natural communities (e.g., riparian habitat, elderberry savanna, and northern hardpan vernal pools). **No impact** on sensitive natural communities would occur, and no mitigation is required.

- 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?**

No Impact. The project site is currently developed and does not contain wetland, stream, or other aquatic habitat that could be considered jurisdictional waters of the United States or state. All project activities would take place within previously developed areas. Therefore, **no impact** to wetlands or other waters of the United States or state would occur, and no mitigation is required.

- 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 site is located within an urban setting (see Figure 2-2) within developed land cover and landscaped vegetation. This urban and disturbed setting does not support native wildlife nursery sites. The project would not alter any existing wildlife corridor and would not interfere with the movement of migratory fish or wildlife species. Therefore, **no impact** on the movement of native resident or migratory fish or wildlife species, movement corridors, or native wildlife nursery sites would occur, and no mitigation is required.

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

Less than Significant. The project site supports limited landscape vegetation. Project demolition and remediation activities may require work within existing landscape planters and removal of existing native and landscape trees. Section 12.56.080(E) of the Sacramento City Code requires that before a public utility installs or performs maintenance on infrastructure that may cause injury to a city tree or private protected tree, the utility shall submit a plan for review and approval by the City's Public Works Director. While this provision essentially exempts SMUD from the City's tree ordinance, SMUD prefers to coordinate with the City by providing tree work plans to the City that may be approved via email.



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Because SMUD would include protective fencing and would comply with Sacramento City Code Section 12.56080(E) requiring approval from the City's Public Works Director prior to any work that may cause injury or removal of city and/or protected private trees, this impact would be less than significant, and no mitigation is required. 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. The project site is not located within the plan area of an adopted habitat conservation plan, natural community conservation plan or other applicable and approved habitat conservation plan. As a result, it would not conflict with the provisions of any such plan. Therefore, the project would result in ***no impact***, and no mitigation is required.



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3.5 Tribal Cultural Resources

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
V. 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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"/>

3.5.1 Environmental Setting

Under PRC section 21080.3.1 and 21082.3, SMUD must consult with Tribes traditionally and culturally affiliated with the project area that have requested formal notification and responded with a request for consultation. The parties must consult in good faith. Consultation is deemed concluded when the parties agree to measures to mitigate or avoid a significant effect on a Tribal cultural resource when one is present or when a party concludes that mutual agreement cannot be reached. Mitigation measures agreed on during the consultation process must be recommended for inclusion in the environmental document.

Tribal Consultation

A search of the Native American Heritage Commission (NAHC) Sacred Lands File was conducted on August 26, 2021. The results were positive and the NAHC's letter advised SMUD to contact the United Auburn Indian Community of the Auburn Rancheria (UAIC) for more information.

On November 4, 2012, SMUD sent notification letters that the project was being addressed under CEQA, as required by PRC 21080.3.1, to the California Native American Tribes that had previously requested such notifications. Notifications were sent to UAIC,



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Wilton Rancheria, Shingle Springs Band of Miwok Indians, and the Lone Band of Miwok Indians. UAIC was the only Tribe to respond to the notification. On November 23, 2021, UAIC stated that they were unaware of any previously recorded Tribal cultural sites in or adjacent to the project site, and that the nearest Sacred Lands are located close to the American River. Therefore, there are no known resources within the project area considered to be Tribal cultural resources as defined in PRC Section 21074.

3.5.2 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)?**

No impact. The NCIC records search identified no indigenous sites within the project site. Therefore, the project site contains no Tribal cultural resources that are listed or eligible for listing in the CRHR, or in a local register of historical resources. Therefore, there would be **no impact**.

- 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. Although the NAHC Sacred Lands search was positive, the search is done on a USGS quadrangle section, approximately 250 acres, and therefore included an area that was much larger than the project site. The NAHC search results do not contain locational information. As discussed above, UAIC stated that the nearest Sacred Lands are located close to the American River. Nevertheless, the possibility remains that Tribal cultural resources could be encountered during construction-related ground disturbing activities. This impact is potentially significant.

Mitigation Measure 3.5-1

If any suspected Tribal cultural resources are discovered during ground disturbing construction activities, including midden soil, artifacts, chipped stone, exotic rock (nonnative), or unusual amounts of baked clay, shell, or bone, all work shall cease within 100 feet of the find. Appropriate Tribal representative(s) shall be immediately



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notified and shall determine if the find is a Tribal cultural resource (pursuant to PRC Section 21074). The Tribal representative will make recommendations for further evaluation and treatment, as necessary.

Preservation in place is the preferred alternative under CEQA and the Tribes' protocols, and every effort must be made to preserve the resources in place, including through project redesign. Culturally appropriate treatment may be, 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 vicinity where they will not be subject to future impacts. The Tribe does not consider curation of tribal cultural resources to be appropriate or respectful and request that materials not be permanently curated, unless approved by the Tribe. Treatment that preserves or restores the cultural character and integrity of a tribal cultural resource may include tribal monitoring, culturally appropriate recovery of cultural objects, and reburial of cultural objects or cultural soil.

Implementation of Mitigation Measure 3.5-1 would reduce impacts to Tribal cultural resources to a **less-than-significant** level by requiring culturally appropriate treatment and proper care of significant Tribal cultural resources in the case of a discovery.

3.6 Cultural Resources

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than- Significant Impact	No Impact
VI. 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.6.1 Environmental Setting

A cultural resources investigation was conducted for the project; see Appendix C. In August 2021, a California Historical Resources Information System records search was conducted by the North Central Information Center (NCIC) on the campus of California State University, Sacramento. The search was conducted to determine whether indigenous archaeological, historic-period archaeological, or built-environment historical resources have been previously recorded within the project site, the extent to which the project site has been previously surveyed, and the number and type of cultural resources within a 0.25-mile radius of the project site (NCIC File No.: SAC-21-173).

The results of the NCIC search indicated that one previously recorded historic-period archaeological site (P-34-000455) was located within the project site; no previous studies have been conducted within the project site. There are twelve known built-environment features located outside of the project site, but within the 0.25-mile radius. These resources consist of 10 residences, the SMUD Headquarters Building, and a no-longer extant commercial building (Ascent 2022).

The project site is completely paved, aside from minor landscaping along 59th Street, and was therefore not surveyed for indigenous archaeological resources. A built-environment pedestrian survey of the project site was conducted on August 17, 2021. Eight buildings over 50 years of age were photographed, recorded, and evaluated under National Register of Historic Properties (NRHP) and California Register of Historical Resources (CRHR) criteria. The buildings do not possess important historical associations or architectural merit, are not associated with notable individual, and do not have the potential to yield any additional important information about commercial office buildings or our history. Therefore, they do not appear to be eligible for listing in the NRHP or CRHR and are not considered historical resources for the purposes of CEQA (Ascent 2022).

Historic-period archaeological site P-34-000455 is the original Sacramento Valley Railroad alignment (later Southern Pacific Railroad), which began at the intersection of Front Street and R Street in February 1855 and was completed to Leidesdorff Plaza in Folsom early in 1856. Designed by pioneering engineer Theodore Judah, the railroad line traveled down R Street then outside the city limits where it paralleled today's Folsom Boulevard. It was originally constructed on an elevated track, at least the portion within Sacramento, to protect it from flooding. In 1993, the Sacramento Valley Railroad as a whole was recommended as eligible for listing in the NRHP/CRHR under Criterion A/1 for its role in the development of Sacramento and Folsom and under Criterion B/2 for its association with Theodore Judah (Ascent 2022).

The built-environment pedestrian survey revealed a previously undocumented spur line associated with P-34-000455. The spur line is located south of the Sac RT line, which divides the SMUD 59th Street Corporation Yard. This spur is no longer in use, has been severed from the main line, and the tracks have mostly been paved over. No rails, ties, or associated features such as switches, signals, or signage remain and therefore this segment no longer retains its historic integrity. Although P-34-000455 as a whole was evaluated as potentially eligible, because this segment lacks integrity it would not be an eligible contributing element, and therefore not a resource under CEQA (Ascent 2022).

3.6.2 Discussion

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

No Impact. The records search and the historical resources evaluation revealed no built-environment historical resources within the project site. Therefore, there would be **no impact** to historical resources, 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-period archaeological site, P-34-000455. The segment of this resource that is located within the project site was evaluated and recommended not eligible for the CRHR, based on lack of integrity. Therefore, it is not considered a resource under CEQA. Given the distance of the project site to nearby water bodies (e.g., streams, rivers, lakes, etc.) and the lack of previously recorded resources within 0.25 mile of the project site, ground disturbing activities within the project area are unlikely to impact archaeological resources. Nevertheless, the possibility remains for project-related ground-disturbing activities could result in discovery or damage of yet undiscovered archaeological resources as defined in State CEQA Guidelines Section 15064.5. This impact would be potentially significant.

Mitigation Measure 3.6-1: Discovery of Archaeological Materials

In the event that indigenous subsurface archaeological features or deposits, including locally darkened soil (“midden”) or historic-period archaeological materials (such as concentrated deposits of bottles or bricks with makers marks, or other historic refuse), is uncovered during 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 qualified archaeologist determines the archaeological material to be Native American in nature, Mitigation Measure 3.18-1 shall be implemented. If the find is determined to be significant by the archaeologist (i.e., because it is determined to constitute a unique archaeological resource), the archaeologist shall work with SMUD to develop and implement appropriate procedures to protect the integrity of the resource and ensure that no additional resources are affected. Procedures could include but would not necessarily be limited to preservation in place, archival research, subsurface testing, or contiguous block unit excavation and data recovery.

Implementation of Mitigation Measure 3.6-1 would reduce potential impacts to archaeological resources discovered during project construction activities to a ***less-than-significant*** level by requiring preservation options and proper curation if significant archaeological materials are recovered.

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

Less than significant with mitigation incorporated. There are no known past cemeteries or burials on the project site or immediate area. However, because earthmoving activities associated with project construction would occur, there is potential to encounter buried human remains or unknown cemeteries in areas with little or no previous disturbance. This impact would be potentially significant.

Mitigation Measure 3.6-2: Discovery of Human Remains

If human remains are discovered during any demolition/construction activities, potentially damaging ground-disturbing activities within 100 feet of the remains shall be halted immediately, and the project applicant shall notify the Sacramento County coroner and the NAHC immediately, according to Section 5097.98 of the PRC and Section 7050.5 of California's Health and Safety Code. If the remains are determined by the NAHC to be Native American, the guidelines of the NAHC shall be adhered to in the treatment and disposition of the remains. The project applicant shall also retain a professional archaeologist with Native American burial experience to conduct a field investigation of the specific site and consult with the Most Likely Descendant, if any, identified by the NAHC. Following the coroner's



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and NAHC's findings, the archaeologist, and the NAHC-designated Most Likely Descendant shall determine the ultimate treatment and disposition of the remains and take appropriate steps to ensure that additional human interments are not disturbed. The responsibilities for acting upon notification of a discovery of Native American human remains are identified in PRC Section 5097.94.

Implementation of Mitigation Measure 3.6-2 would reduce potential impacts related to human remains to a ***less-than-significant*** level by requiring work to stop if suspected human remains are found, communication with the county coroner, and the proper identification and treatment of the remains consistent with the California Health and Safety Code and the California Native American Historical, Cultural, and Sacred Sites Act.

3.7 Energy

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
VII. 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"/>

3.7.1 Environmental Setting

Energy Types and Sources

California relies on a regional power system comprised of a diverse mix of natural gas, renewable, hydroelectric, and nuclear generation resources. One-third of energy commodities consumed in California is natural gas. In 2018, approximately 34 percent of natural gas consumed in the State was used to generate electricity. Large hydroelectric projects generated approximately 11 percent of the electricity used by the State, and renewable energy from solar, wind, small hydroelectric, geothermal, and biomass combustion generated 31 percent (CEC 2020).

Electrical service to the City of Sacramento is provided by Sacramento Municipal Utility District (SMUD). Natural gas service is provided to the project site by Pacific Gas and Electric (PG&E). In 2020, SMUD's base power plan's electricity was composed of 33.8 percent eligible renewable energy resources, as defined by California Energy Commission (CEC), (i.e., biomass combustion, geothermal, small-scale hydroelectric, solar, and wind), 29.1 percent large-scale hydroelectric resources, and 35.2 percent natural gas and other fuels (SMUD 2020).

Commercial buildings represent just under one-fifth of U.S. energy consumption with office space, retail, and educational facilities representing about half of commercial sector energy consumption. In aggregate, commercial buildings consumed 47 percent of building energy consumption and approximately 18 percent of U.S. energy consumption.

Petroleum products (gasoline, diesel, jet fuel) are consumed almost exclusively by the transportation sector, and account for almost 99 percent of the energy used in California by the transportation sector, with the rest provided by ethanol, natural gas, and electricity (BTS 2015). Between January 2007 and May 2016, an average of approximately 672 billion gallons of gasoline were purchased in California (CSBE 2016). Gasoline and



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diesel fuel sold in California for motor vehicles is refined in California to meet specific formulations required by the California Air Resources Board (CARB) (EPA 2018).

Conventional gasoline and diesel may be replaced (depending on the capability of the vehicle) with many alternative transportation fuels (e.g., biodiesel, hydrogen, electricity, and others). Use of alternative fuels is encouraged through various statewide regulations and plans (e.g., Low Carbon Fuel Standard, Assembly Bill [AB] 32 Scoping Plan).

Energy Policy and Conservation Act, and CAFE 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 manufacturer 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 Independence and Security Act of 2007

The Energy Independence and Security Act of 2007 increases the supply of alternative fuel sources by setting a mandatory Renewable Fuel Standard requiring fuel producers to use at least 36 billion gallons of biofuel in 2022, which represents a nearly five-fold increase over current levels; and reduces U.S. demand for oil by setting a national fuel economy standard of 35 miles per gallon by 2020—an increase in fuel economy standards of 40 percent.

By addressing renewable fuels and the CAFE standards, the Energy Independence and Security Act of 2007 builds upon progress made by the Energy Policy Act of 2005 in setting out a comprehensive national energy strategy for the 21st century.

Warren-Alquist Act

The 1974 Warren-Alquist Act established the California Energy Resources Conservation and Development Commission, now known as the CEC. The act introduced state policy for siting power plants to reduce potential environmental impacts, and additionally sought to reduce demand for these facilities by directing CEC to develop statewide energy conservation measures to reduce wasteful, inefficient, and unnecessary uses of energy. Conservation measures recommended establishing design standards for energy



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conservation in buildings that ultimately resulted in the creation of the Title 24 Building Energy Efficiency Standards (California Energy Code), which have been updated regularly and remain in effect today. The act additionally directed CEC to cooperate with the Office of Planning and Research, the California Natural Resources Agency (CNRA), and other interested parties in ensuring that a discussion of wasteful, inefficient, and unnecessary consumption of energy is included in all environmental impact reports required on local projects.

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 (CEC 2019a).

Legislation Associated with Electricity Generation

The State has passed legislation requiring the increasing use of renewables to produce electricity for consumers. California utilities are required to generate 33 percent of their electricity from renewables by 2020 (SB X1-2 of 2011); 52 percent by 2027 (SB 100 of 2018); 60 percent by 2030 (also SB 100 of 2018); and 100 percent by 2045 (also SB 100 of 2018).

Senate Bill 350: Clean Energy and Pollution Reduction Act of 2015

The Clean Energy and Pollution Reduction Act of 2015 (SB 350) requires doubling of the energy efficiency savings in electricity and natural gas for retail customers through energy efficiency and conservation by December 31, 2030.

City of Sacramento General Plan

The 2035 General Plan is the City of Sacramento's policy guide for the future. It sets policy guidelines for everything from the physical boundaries of the city to its economic growth and physical development. Policies in the energy section require reducing peak electric load for City facilities, reducing City fleet fuel consumption, improving energy efficiency of City facilities, and encouraging city residents to consume less energy. Policies also support an increasing reliance on renewable energy to reduce Sacramento's dependence on nonrenewable energy sources.



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City of Sacramento Climate Action Plan

The Sacramento Climate Action Plan (CAP) was adopted on February 14, 2012 by the Sacramento City Council and was incorporated into the 2035 General Plan. The CAP includes energy goals, strategies, and implementation measures developed to help the city reach its goals. The City also developed a CAP Consistency Review Checklist to provide a streamlined review process for proposed new development projects which are subject to CEQA.

3.7.2 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. Energy would be consumed during project demolition and remediation activities to operate and maintain equipment, transport demolition debris and remediated soil, and for worker commutes. Levels of energy consumption by the project construction and operations were calculated using the California Emissions Estimator Model Version 2020.4.0 and from fuel consumption factors in the EMFAC 2021 models (see Appendix A for detailed calculations). An estimated 1,008 gallons of gasoline and 21,411 gallons of diesel would be consumed during project construction activities, accounting for both onsite equipment use and offsite vehicle travel.

For operations, energy would be consumed from the usage of the SVE system, worker trips and occasional usage of a forklift and a flatbed truck to remove drums containing material generated by the system. The operational activities would last for 4 years. An estimated 223 gallons of gasoline and 10,650 gallons of diesel would be consumed annually during project operational activities. In addition, the SVE system would consume electricity. Based on data from the U.S. Environmental Protection Agency (EPA), a typical SVE system consumes 77,600 kWh annually (EPA 2012). This analysis uses EPA data to characterize the SVE system's electricity consumption. Electricity consumption of 77,600 kWh is based on a full year of operation. If the SVE system operates for the duration of remediation activities, i.e., 8 months, electricity consumption would be approximately 51,800 kWh. It should be noted that the EPA factor is based on data from Superfund sites. Superfund areas constitute the nation's most contaminated areas requiring a long-term response to clean up hazardous material contaminations. Therefore, such sites typically include remediation activities at a much larger scale, addressing long-term contamination, and over a longer duration. Therefore, the electricity consumption estimate provided is conservative and likely overestimates the actual use from the SVE system. Operation of the SVE system is necessary to reduce VOC emissions from contaminated soils to a safe level. This one-time consumption of electricity would bring the site in compliance with hazardous waste standards.



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The one-time energy expenditure required to demolish the buildings, remove the contaminated soil and extract the soil vapor would be non-recoverable. The energy needs for the project would be temporary and would not require additional capacity or increase peak or base period demands for electricity or other forms of energy.

The project would not generate any vehicle trips or additional emissions after four years of operational activities including usage of SVE system and removal of drums from the project site. Following complete site remediation, SMUD will continue to be responsible for site maintenance and may seek entitlements for the future use of the site and/or transfer ownership of the parcel. Because future use of the site is not yet known and would be subject to City of Sacramento zoning and City development application and project approval processes, this analysis does not evaluate any future operation of the project site. 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 is required.

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

Less than Significant. As discussed above, the project would not result in inefficient, wasteful, or unnecessary consumption of energy resources. Furthermore, the energy used for demolition, removal of the contaminated soil and extraction of soil vapor, would be temporary and would not create any long-term demand for energy. Thus, the project would not conflict with or obstruct a state or local plan for renewable energy or energy efficiency. The impact would be ***less than significant***, and no mitigation is required.

3.8 Geology and Soils

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
VIII. 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 checked="" type="checkbox"/>	<input 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"/>

3.8.1 Environmental Setting

Regional and Local Geology

As noted previously, the project site is located in the developed area of the city of Sacramento, within the southern 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



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Nevada has generated alluvial, overbank, and localized lacustrine sediments as thick as 50,000 feet in areas of the Great Valley.

According to the United States Department of Agriculture Soil Conservation Service National Cooperative Soil Survey, the dominant soil composition in the general area of the project site is urban land with variable soil types and textures (AECOM 2020:3-1). Another associated soil type in the vicinity of the subject property is San Joaquin silt loam characterized by very slow infiltration rates in moderately-drained soils, with fine or clayey textures (AECOM 2020:3-1). The project site, which is located approximately one mile southwest of the American River and approximately four miles east of the Sacramento River, is underlain by the Riverbank Formation (Qr), described alluvium (Wagner, et al. 1981).

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 site with evidence of displacement during Holocene time are the Dunnigan Hills Fault (approximately 24 miles to the northwest) and the Cleveland Hills Fault (approximately 60 miles to the north). 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). There are no Alquist-Priolo Earthquake Fault Zones within the Sacramento area (City of Sacramento 2014a:4.5-4).

According to the California Geological Survey Earthquake Shaking Potential for California, the Sacramento region is distant from known, active faults and would experience lower levels of shaking less frequently than areas closer to major, active faults. However, very infrequent earthquakes could still cause strong shaking here (CGS 2016). Landslides triggered by seismic events are not expected at the project site due to the site's flat terrain.

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. 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, it is generally understood that 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. The project site is not located in a currently established State of California Seismic Hazard Zone for liquefaction.

Soils

A review of U.S. Natural Resources Conservation Service (NRCS) soil survey data indicates that the project site is composed of mostly Urban Land with a small amount of San Joaquin-Urban Land Complex (NRCS 2021). The urban land unit consists of areas covered up to 90 percent by impervious surfaces.

Table 3.8-1 Project Site Soil Characteristics

Soil Map Unit	Water Erosion Hazard ₁	Wind Erosion Hazard ₂	Shrink-Swell Potential ₃	Permeability ₄	Drainage Class
Urban Land	NR	NR	NR	NR	NR
San Joaquin–Urban Land Complex	Moderate	6	Low	Moderately high	Moderately well drained

Notes: NR = not rated

¹. Based on the erosion factor “Kw whole soil,” which is a measurement of relative soil susceptibility to sheet and rill erosion by water.

². The soils assigned to group 1 are the most susceptible to wind erosion, and those assigned to group 8 are the least susceptible.

³. Based on percentage of linear extensibility. Shrink-swell potential ratings of “moderate” to “very high” can result in damage to buildings, roads, and other structures.

⁴. Based on standard U.S. Natural Resources Conservation Service saturated hydraulic conductivity (Ksat) class limits; Ksat refers to the ease with which pores in a saturated soil transmit water.

Source: NRCS 2021

Paleontological Resources

The project site is underlain by the Riverbank Formation, which may include sedimentary alluvial deposits which frequently contain fossils (SMUD 3.3-27)

3.8.2 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 (City of Sacramento 2014a:4.5-4). 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 is required.

ii. Strong seismic ground shaking?

Less than Significant. The project site is located in 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 (CGS 2016).

Depending on the strength of groundshaking, it is possible that structures in the area could be damaged during such an event. However, the soil vapor extraction system would be constructed in a manner consistent with 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 is required.

iii. Seismic-related ground failure, including liquefaction?

Less than Significant. For the installation of the soil vapor extraction system, SMUD would comply with the CBC, which incorporates seismic engineering and construction parameters designed to protect life and property to the maximum extent practicable.

Active seismic sources are a relatively long distance away and the project site is located on flat land and has low shaking hazard potential. However, in the unlikely event of a significant earthquake, widespread liquefaction could occur resulting in significant damage. The project would comply with CBC Title 24, which includes specific design requirements to reduce damage from ground failure. In addition, emergency shutoffs would be installed to reduce risks involving seismic-related 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 is required.

iv. Landslides?

No Impact. The project site is located in a flat area of Sacramento; there is no risk of landslides in such terrain (SMUD 2018:3.5-9). Consequently, the project would not expose people or structures to landslides and there would be **no impact** associated with landslide risk, and no mitigation is required.

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

Less than Significant. As discussed above, NRCS soil survey data indicate that the project site includes soils that are classified as Urban Land and San Joaquin-Urban Land Complex (NRCS 2021). Construction activities would involve grading, excavating, trenching, moving, and filling within the project site. Construction activities would remove existing concrete and 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.



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However, the project would be subject to the National Pollutant Discharge Elimination System (NPDES) Statewide construction general NPDES permit for stormwater runoff (Order No. 99 - 08 – 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 at the infill site. This, coupled with preparation of a site-specific SWPPP, would minimize potential adverse impacts related to erosion and loss of topsoil at the project site. 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. As described previously, there are no slopes within the project site, and therefore there would be no potential for on- or off-site landslide. While the alluvium that underlies the area can be subject to liquefaction, the site has been developed and includes extensive fill. In addition, the project would comply all building codes and engineering recommendations. Therefore, this impact would be ***less than significant***, and no mitigation is 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. Expansive soils shrink and swell as a result of moisture change. 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 (2021) soil survey data indicates that the project site is mostly

composed of soil classified as Urban Land, which is not at risk of expansion (see Table 3.8-1). Therefore, this impact would be ***less than significant***, and no mitigation is 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 is required.

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

Less than Significant Impact with Mitigation Incorporated. Project-related earthmoving activities would occur 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 site, 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 3.8-1: Worker awareness and response for paleontological resources

Prior to the start of project activities that would result in ground disturbance, SMUD shall provide information to the construction contractor and SMUD's project superintendent regarding the potential for paleontological resources that could be encountered during ground disturbance, the regulatory protections afforded to such finds, and the procedures to follow in the event of discovery of a previously unknown resource, including notifying SMUD representatives.

If workers observe any evidence of paleontological resources (e.g., fossils), all work within 50 feet of the find shall cease immediately, and SMUD representatives shall be notified. A paleontologist meeting the Society of Vertebrate Paleontology's minimum qualifications shall be consulted to assess the significance of the paleontological find and recommend appropriate measure for the treatment of the resource. Potential treatment may include no action (i.e., the resource is not significant), avoidance of the resource, or data recovery.

Implementation of Mitigation Measure 3.8-1 would reduce potential impacts to previously-undiscovered resources by requiring worker awareness training and that steps be taken in the event that paleontological resources are encountered during project construction. With implementation of Mitigation Measure 3.8-1, this impact would be reduced to a ***less-than-significant*** level.

3.9 Greenhouse Gas Emissions

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
IX. 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"/>

3.9.1 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 (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), and sulfur hexafluoride (SF₆). 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 *Massachusetts et al. v. Environmental Protection Agency et al.*, 549 U.S. 497 (2007), the Supreme Court of the United States ruled that CO₂ is an air pollutant as defined under



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the federal Clean Air Act and that the U.S. Environmental Protection Agency (EPA) has the authority to regulate GHG emissions.

In 2010, EPA started to address GHG emissions from stationary sources through its New Source Review permitting program, including operating permits for “major sources” issued under Title V of the federal Clean Air Act.

EPA and the National Highway Traffic Safety Administration (NHTSA) have issued rules to reduce GHG emissions and improve corporate average fuel economy (CAFE) standards for light-duty vehicles for model years 2017 and beyond (77 Federal Register [FR] 62624). NHTSA’s CAFE standards have been enacted under the Energy Policy and Conservation Act since 1978. This national program requires automobile manufacturers to build a single light-duty national fleet that meets all requirements under both federal programs and the standards of California and other states. The purpose of this program is to increase fuel economy and limit vehicle emissions, including CO₂ emissions, of cars and light-duty trucks (77 FR 62630).

The Safer Affordable Fuel-Efficient Vehicles Rule (SAFE Rule), promulgated by NHTSA and EPA in 2020, set new CAFE standards for passenger cars and light duty trucks, model years 2021–2026 (NHTSA 2021). This rule also revoked a waiver granted by EPA to the State of California under Section 209 of the Clean Air Act to enforce more stringent emission standards for motor vehicles than those required by EPA for the explicit purpose of greenhouse gas emission reduction, and indirectly, criteria air pollutant and ozone precursor emission reduction (NHTSA 2021).

Statewide GHG Emission Targets and the Climate Change Scoping Plan

Reducing GHG emissions in California has been the focus of the state government for approximately two decades (CEC 2019b). GHG emission targets established by the state legislature include reducing statewide GHG emissions to 1990 levels by 2020 (Assembly Bill [AB] 32 of 2006) and reducing them to 40 percent below 1990 levels by 2030 (Senate Bill [SB] 32 and Senate Bill [SB] 197 of 2016). Executive Order S-3-05 calls for statewide GHG emissions to be reduced to 80 percent below 1990 levels by 2050. Executive Order B-55-18 calls for California to achieve carbon neutrality by 2045 and achieve and maintain net negative GHG emissions thereafter. These targets are in line with the scientifically established levels needed in the United States to limit the rise in global temperature to no more than 2 degrees Celsius, the warming threshold at which major climate disruptions, such as super droughts and rising sea levels, are projected; these targets also pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius (United Nations 2015:3).

California’s 2017 Climate Change Scoping Plan (2017 Scoping Plan), prepared by the California Air Resources Board (CARB), outlines the main strategies California will implement to achieve the legislated GHG emission target for 2030 and “substantially advance toward our 2050 climate goals” (CARB 2017:1, 3, 5, 20, 25–26). It identifies the



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reductions needed by each GHG emission sector (e.g., transportation, industry, electricity generation, agriculture, commercial and residential, pollutants with high global warming potential, and recycling and waste). The latest 2022 Scoping Plan Update aims to assess progress towards achieving the Senate Bill 32 2030 target and lay out a path to achieve carbon neutrality by no later than 2045.

CARB and other state agencies also released the *January 2019 Draft California 2030 Natural and Working Lands Climate Change Implementation Plan* (Natural and Working Lands Implementation Plan) consistent with the carbon neutrality goal of Executive Order B-55-18. The measures included in the draft plan are projected to result in cumulative emissions of 21.6 to 56.8 MMTCO_{2e} by 2030 and cumulative emissions reduction of -36.6 to -11.7 MMTCO_{2e} by 2045 (CalEPA et al. 2019:13-14).

Local Plans and Policies

City of Sacramento General Plan

Although Sacramento Municipal Utility District (SMUD) is not subject to the goals and policies of the City of Sacramento, the City's 2035 General Plan includes goals and policies relevant to climate change and GHG emissions for projects within city limits. Relevant policies related to climate change are described below (City of Sacramento 2015).

- **Policy ER 6.1.6:** Community Greenhouse Gas Reductions. The City shall reduce community GHG emissions by 15 percent below 2005 baseline levels by 2020, and strive to reduce community emissions by 49 percent and 83 percent by 2035 and 2050, respectively.
- **Policy ER 6.1.8:** Additional GHG Emission Programs. The City shall continue to evaluate the feasibility and effectiveness of new policies, programs, and regulations that contribute to achieving the City's long-term GHG emissions reduction goals.
- **Policy ER 6.1.9:** Climate Change Assessment and Monitoring. The City shall continue to assess and monitor performance of GHG emissions reduction efforts beyond 2020, progress toward meeting long-term GHG emissions reduction goals, the effects of climate change, and the levels of risk in order to plan a community that can adapt to changing climate conditions and be resilient to negative changes and impacts.
- **Policy ER 6.1.10:** Coordination with Sacramento Metropolitan Air Quality Management District (SMAQMD). The City shall coordinate with SMAQMD to ensure projects incorporate feasible mitigation measures to reduce GHG emissions and air pollution if not already provided for through project design.



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City of Sacramento Climate Action Plan

The Sacramento Climate Action Plan (CAP) was adopted on February 14, 2012 by the Sacramento City Council and was incorporated into the 2035 General Plan. The CAP includes GHG goals, strategies, and implementation measures developed to help the city reach its goals. The City also developed a CAP Consistency Review Checklist to provide a streamlined review process for proposed new development projects which are subject to CEQA (City of Sacramento 2012).

Sacramento Metropolitan Air Quality Management District

The SMAQMD is the primary agency responsible for addressing air quality in Sacramento County. SMAQMD also recommends methods for analyzing project-generated GHGs in CEQA analyses and offers 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 and AB 32. SMAQMD's goals in developing GHG thresholds include ease of implementation; use of standard analysis tools; and emissions mitigation consistent with AB 32.

Threshold of Significance

SMAQMD has established quantitative significance thresholds for evaluating GHG emissions. For construction emissions generated by land development projects, the SMAQMD threshold is 1,100 metric tons per year of CO₂ equivalent (MTCO_{2e}) and 10,000 metric tons per year of CO₂ equivalent (MTCO_{2e}) for operational emissions (SMAQMD 2020).

3.9.2 Discussion

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

Less than Significant. 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 demolition and remediation activities, and removal of demolition debris and contaminated soil. Project-related demolition and remediation activities would result in the generation of GHG emissions from the use of heavy-duty off-road equipment and vehicle use during worker commute. The activities would include demolition of buildings, site clearing, and removal of demolition debris and contaminated soil. GHG emissions from demolition and remediation-related activities were estimated using CalEEMod Version 2020.4.0. A detailed discussion of the major emissions generating activities and model assumptions is provided



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in Section 3.3, "Air Quality." Model outputs are included in Appendix A. All the above-mentioned activities would result in construction emissions of 316 MTCO₂e.

The project would also generate some additional GHG emissions during operations. The operation of the SVE system and periodic removal of drums containing material generated by the system would result in worker trips and occasional use of forklift and flatbed truck. The GHG emissions from these operational activities would be 10 MTCO₂e. Additionally, operation of the SVE system would generate off-site GHG emissions from electricity consumption. Based on the reported electricity consumption in Section 3.6, "Energy," the SVE system would generate 12 MTCO₂e of GHG emissions. Total emissions from project operational activities would be 22 MTCO₂e.

Following complete site remediation, SMUD will continue to be responsible for site maintenance and may seek entitlements for the future use of the site and/or transfer ownership of the parcel. Because future use of the site is not yet known and would be subject to City of Sacramento zoning and City development application and project approval processes, this analysis does not evaluate any future operation of the project site beyond four years of operation of the SVE system.

SMAQMD has established quantitative significance thresholds for evaluating GHG emissions. For construction of all types, emissions due to land development projects, the established significance threshold is 1,100 MTCO₂e annually and for operations the significance threshold is 10,000 MTCO₂e annually (SMAQMD 2020). Construction-related GHG emissions for the project would be primarily generated in 2022 and would be no more than 316 MTCO₂e and operations-related GHG emissions would be no more than 22 MTCO₂e. Therefore, project-related construction and operational GHG emissions would not exceed SMAQMD's threshold of significance. This impact would be **less than significant**, and no mitigation is required.

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

Less than Significant. Plans, policies, and regulations adopted for the purpose of reducing GHG emissions were developed with the purpose of reducing cumulative emissions related, primarily, to long-term operational emissions. 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 and AB 32. As described previously, the project would not result in a considerable increase in GHG emissions as a result of demolition and remediation activities and would not generate any GHG emissions due to operations that would exceed the threshold of significance. Thus, the project would not conflict with any applicable plan, policy, or regulation adopting for the purpose of reducing emissions of GHGs. The impact would be **less than significant**, and no mitigation is required.

3.10 Hazards and Hazardous Materials

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
X. 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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"/>

3.10.1 Environmental Setting

Since 1947 when it purchased the property from PG&E, SMUD has used the former corporation yard property located at 1708 59th Street, Sacramento, as a storage area for hazardous and nonhazardous wastes generated on-site or at other SMUD facilities. There have historically been designated areas for the storage of new and refurbished transformers in a building known as the Hazardous Materials Building located in the northwest corner of the project site (See Figure 2-3).

From December 2018 to March 2019, AECOM conducted site investigation activities to further characterize the lateral and vertical extent of tetrachloroethene (PCE) in soil gas, soil, and groundwater and arsenic in soil (AECOM 2021b). It was determined that PCE levels in soil gas were present at concentrations exceeding residential and commercial/industrial soil vapor screening levels (SVSLs), while concentrations in soil



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and groundwater did not exceed the SVSLs (AECOM 2021b:2-5). The 2018 soil investigation found arsenic concentrations in soil that exceeded background concentration levels.

A Phase I ESA was completed for the project site by AECOM in February 2020. This Phase I report identified five recognized environmental conditions (RECs) in connection with the project site. RECs identified in connection with the project site include the following:

- Based on the information detailed in historical documents, there are potential uncharacterized environmental impacts caused by the presence of 11 underground hydraulic lifts and related hydraulic oil reservoir underground storage tanks (USTs), and two vehicle oil/water separators (OWSs). Since preparation of the Phase I ESA report, SMUD has removed the OWSs in accordance with the Corrective Action Consent Agreement (Agreement), Docket HWCA P1-13/14-007 (SMUD 2021).
- No information or documentation regarding the removal of a 550-gallon cleaning solvent tank and a 550-gallon kerosene tank was readily available for review. Lack of documentation of removal of these historical USTs constitutes a REC for the project site.
- The presence of polychlorinated biphenyls (PCBs) in building materials with concentrations greater than the 50-milligram per kilogram (mg/kg) screening criteria (up to 200,000 mg/kg) represents a REC for the project site. For demolition and disposal purposes, PCB concentrations were detected greater than the 50-mg/kg screening criteria, and the building materials are therefore considered "PCB bulk product waste" according to Title 40, Code of Federal Regulations (CFR) Part 761, and as hazardous waste by the Department of Toxic Substances Control (DTSC). Any contractor who may perform PCB-related work at the site (e.g., inspection, removal, or clean-up) must be trained and qualified to do so. All workers must also follow current Occupational Safety and Health Administration (OSHA) regulations, including Title 29 CFR Section 1910.120 and Title 8 California Code of Regulations (CCR) Section 5192, as well as other applicable federal, state, and local laws and regulations.
- A vapor encroachment condition (VEC) at the project site is likely to exist due to the documented presence of tetrachloroethene (PCE) in on-site soil and soil gas. The presence of potentially uncharacterized PCE and the likelihood of a possible VEC represents a REC for the project site. SMUD conducted indoor air sampling within the Tool Issue Building in April 2019. PCE and its breakdown products were not detected above residential SLs; therefore, conducting indoor air sampling within additional buildings was not deemed to be necessary at that time since the other buildings are considered to have lower VEC potential than the tested building. SMUD has indicated that additional investigative work is being conducted to further characterize PCE in the soil and soil gas at the project site.



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- The presence of potentially uncharacterized arsenic represents a REC for the project site. AECOM's recommended next steps regarding arsenic include implementing a corrective action to address arsenic concentrations in soil at the site above naturally occurring levels. The range of site-specific arsenic background concentrations should be evaluated to select an appropriate arsenic clean-up goal.

Although not considered RECs by ASTM Standards, the Phase I included a review of available information regarding potential asbestos-containing materials (ACMs) and lead-based paint (LBP) that was identified in on-site building materials: The results of testing for asbestos during a survey performed in 2016 identified asbestos to be present in multiple materials from the buildings on the project site. Sampling also indicated the presence of LBP in multiple buildings.

The Phase I ESA report also identified one historical recognized environmental condition (HREC) within the project site: Between June 30 through July 3, 2014, tank removal operations were conducted to remove two 10,000-gallon unleaded gasoline fuel USTs and one 10,000-gallon diesel fuel UST. On August 8, 2014, the Sacramento County Environmental Compliance Division (SCECD) issued a letter stating that based on the results of the removal activities, it was their position that no further action was required at that time. Therefore, the successful documented removal of these USTs with regulatory agency concurrence is an HREC for the project site.

DTSC's Envirostor website, which provides data related to hazardous materials spills and clean ups, identifies the project site as a historic permitted but currently non-operational hazardous waste facility (DTSC 2021). The site is identified as an active corrective action site.

The State Water Resources Control Board's (SWRCB) GeoTracker website provides data relating to leaking USTs and other types of soil and groundwater contamination, along with associated cleanup activities. While the project site is not identified in this database, there are two open cleanup program sites within one-quarter mile of the project site. These sites are the Camellia Cleaners located at 5901 Folsom Boulevard and the Former Kramer Carton Facility (formerly Community Linen) located at 1800 61st Street (SWRCB 2021).

There are two schools located within one-quarter mile of the project site: Phoebe A. Hearst Elementary School at 1410 60th Street and St. Mary Parish School at 1351 58th Street.

No public airports or private airstrips are within 2 miles of the project site. The closest airport is Sacramento Executive Airport, approximately 3.7 miles southwest of the project site. The project site is not located within any airport safety zones (SACOG 2013: Map3).



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3.10.2 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. Implementation of the project would result in the demolition of multiple buildings and remediation of onsite soil contamination. These activities would likely involve the temporary storage, use, and transport of hazardous materials, such as fuel and lubricants, during construction activities. The use and storage of these materials could potentially expose and adversely affect workers, the public, or the environment as a result of improper handling or use, accident, environmentally unsound disposal methods, fire, explosion, or other emergencies, resulting in adverse health or environmental effects.

For trucking of hazardous materials, including lead-contaminated building materials, SMUD and any construction contractors would be required to comply with federal and State hazardous materials transportation laws including CFR Title 49, Sections 100 to 185, and the California Environmental Protection Agency's Unified Program. Any regulated activities would be managed by the Sacramento County Environmental Management Department, which is the designated CUPA and ensures compliance with environmental regulations. Compliance with these regulations and agencies would reduce any potential for accidental release of hazardous materials during implementation of the project.

Based on findings in the assessments and investigations previously discussed above, hazardous materials have been identified within the project site, notably within soils surrounding three buildings. The project would demolish buildings as needed to install SVE systems and excavate contaminated soil. SMUD is currently coordinating with DTSC to determine the extent of the remediation effort and to establish the appropriate remediation level for the site. Because the project involves remediation of known contamination, hazardous materials are known to be present.

As part of SMUD's site investigations and coordination with DTSC, many reports have been created documenting the known contamination and conditions of the site, including the Phase I ESA (AECOM 2020), a site characterization report (AECOM 2019), and two site characterization report addenda (AECOM 2021b and 2021c). The project would be required to adhere to all applicable regulations regarding site remediation to protect worker safety, public health, and the environment.

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 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.



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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. Soil classified as hazardous waste would require disposal at a class I, II, or III landfill (i.e., Kiefer Boulevard, Recology Hay Road, Clean Harbors Buttonwillow, or Waste Management Kettleman Hills). 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 is 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. As discussed above, the project site is known to contain hazardous materials including PCBs, PCE, arsenic, lead, and asbestos. Groundwater testing has been conducted and found not to exceed applicable thresholds (AECOM 2021b:2-5). The project would include demolition and remediation which could involve the handling of hazardous materials. Additionally, project activities would involve the use of hazardous materials (e.g., fuels, oils, and lubricants), that could be accidentally upset or released into the environment. 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, and no mitigation is 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. As discussed above, there are two schools within one-quarter mile of the project site. Small quantities of hazardous materials such as fuels, oils, and lubricants would be used during project implementation and the project would remove existing hazardous materials from the project site. 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



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existing schools. Therefore, this impact would be ***less than significant***, and no mitigation is 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. 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 described above, the project site is identified on DTSC's Envirostor database as a hazardous waste disposal site. While the site is a listed site, the project involves remediation of the site contamination. Following all project activities, the site would be remediated to DTSC standards, with the goal of closing the DTSC corrective action case for the site. The project would comply with existing laws and regulations related to the use, disposal, and transport of hazardous materials, as described in item a) and c), above. This impact would be ***less than significant***, and no mitigation is required.

- 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?**

No Impact. The Sacramento Executive Airport is located approximately 3.7 miles southwest of the project site. The project site is not located within an airport land use plan or within 2 miles of a public airport or public use airport, or within the vicinity of a private airstrip, and implementing the project would not result in an aviation-related safety hazard for people residing or working in the project area. Therefore, ***no impact*** would occur, and no mitigation is required.

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

Less than Significant. Project implementation is not expected to require temporary lane closures or other actions 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 right-of-way would be required to obtain an encroachment permit from either Caltrans or the City 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 the project is complete, all roads in the area would continue to operate as under pre-project conditions and the project would not interfere with emergency repose or evacuation plans. As a result, this impact would be ***less than significant***, and no mitigation is required.



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- 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 site is located in a highly developed area of Sacramento 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 developed areas. There would be ***no impact*** related to wildland fires, and no mitigation is required.



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3.11 Hydrology and Water Quality

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XI. 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 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 type="checkbox"/>	<input checked="" 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"/>

3.11.1 Environmental Setting

The city of Sacramento is located at the confluence of the Sacramento and American Rivers within the Sacramento River Basin. The Sacramento River Basin encompasses about 27,000 square miles and is bounded by the Sierra Nevada to the east, the Coast Ranges to the west, the Cascade Range and Trinity Mountains to the north, and the Delta to the southeast. The Sacramento River Basin is the largest river basin in California, capturing, on average, approximately 22 million acre-feet of annual precipitation (City of Sacramento 2014b:6-43). The project site is entirely developed and mostly covered with pavement. There are no surface waters within 500 feet of the project site.

Stormwater at the project site drains to the existing storm drain system along 59th Street which is part of the City of Sacramento's combined sewer system (CSS). Stormwater is then conveyed to one of two facilities for primary treatment before discharge to the



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Sacramento River. CSS flows and discharges are currently regulated by the provisions of Waste Discharge Requirement Order No. R5-2015-0045 (NPDES No. CA0079111) (City of Sacramento 2014a: 4.7-2).

The project is located within an area of minimal and reduced flood hazard due to existing levee infrastructure (Zone X), as identified on Federal Emergency Management Agency (FEMA) flood hazard maps (FEMA 2021).

3.11.2 Discussion

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

Less than Significant. Drainage from the project flows into the City's CSS and from there is discharged to the Sacramento River, which is located within the Sacramento River Basin. As such, the applicable water quality standards are listed in the Fifth Edition of the Water Quality Control Plan (Basin Plan) For the Sacramento River and San Joaquin River Basins (CRWQCB 2018).

To reduce or eliminate construction-related water quality effects, the City of Sacramento's Grading Ordinance would require future public or private contractors to comply with the requirements of the City's Stormwater Quality Improvement Plan (SQIP). In addition, before the onset of any construction activities, where the disturbed area is one acre or more in size, the City would require any public or private contractors to obtain coverage under the NPDES General Construction Permit and include erosion and sediment control plans. BMPs may consist of a wide variety of measures taken to reduce pollutants in stormwater and other non-point source runoff. The City's SQIP and the Stormwater Quality Design Manual for the Sacramento Region include BMPs to be implemented to mitigate impacts from new development and redevelopment projects. Construction BMPs that implement the SQIP and General Construction Permit may include, but are not limited to the following measure:

Prior to issuance of a construction permit, the City would require public and/or private contractors to provide an erosion and sediment control plan. The City would verify that a state general permit was obtained including verification that a Notice of Intent has been filed with the Central Valley Regional Water Quality Control Board and a SWPPP has been developed before allowing construction to begin. The City would perform inspections of the construction area to verify that the BMPs specified in the erosion and sediment control plan are properly implemented and maintained. The City would notify contractors immediately if there is a noncompliance issue and would require compliance. Control of erosion and sediment transport during the construction phase would effectively mitigate potential sediment impairment of receiving waters.



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Consequently, compliance with City and State requirements related to protecting water quality would ensure that violations of WDRs or water quality standards would be **less than significant**, and no mitigation would be required.

- 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. The project site is underlain by the North and South American Groundwater Subbasin, which is part of the larger Sacramento Valley Groundwater Basin. The South American River Subbasin is estimated to have a groundwater storage capacity of 4,816,000 acre-feet (DWR 2004:2). No groundwater would be withdrawn following project remediation activities.

Because the project would involve construction activities within previously developed areas, which are primarily paved areas, the project would not involve construction practices or develop facilities that would substantially prevent or otherwise redirect the flow of groundwater resources within the project site. Implementation of the project would include removal of impervious pavement and would decrease the amount of onsite impervious surfaces. This could potentially result in a beneficial change in surface infiltration characteristics affecting groundwater recharge. For all these reasons, there would be a **less-than-significant** impact on groundwater supplies and groundwater recharge, and no mitigation is 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;**

Less than Significant. Project activities would involve the excavation and movement of soil as well as building and pavement removal that would expose bare soil, temporarily increasing erosion and siltation potential at the site. If not properly controlled, these activities could accidentally discharge wastes into waterways through runoff. However, SMUD would comply with the existing submittal and approval requirements associated with the Stormwater Management and Control Code, the Grading, Erosion and Sediment Control Ordinance, as well as 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. Therefore, regulatory compliance would ensure that the project does not result in substantial long-term effects on water quality. As a result, this impact would be **less than significant**, and no mitigation is required.



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ii) Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite;

Less than Significant. Project activities would occur within the developed project site and would not include addition but may include removal of impervious surfaces, which generally increase the rate of stormwater runoff. Therefore, the project would not be expected to substantially increase the rate or amount of surface runoff in or near the project site. Therefore, this impact would be ***less than significant***, and no mitigation is required.

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

Less than Significant. Excavation for removal of contaminated soil is estimated to be up to 15 feet below ground surface. As groundwater in the area is generally located at least 35 feet below ground surface, dewatering activities are not anticipated. Because project activities would include removal of buildings and pavement, the project would not add new impervious surfaces that could contribute to an exceedance of existing or planned stormwater facilities. Following completion of project demolition and remediation activities, the site would likely contain more pervious surfaces than in the pre-project condition, making it unlikely that the site would exceed existing runoff conditions. Therefore, the project would not exceed existing or planned stormwater capacity or provide polluted runoff. This impact would be ***less than significant***, and no mitigation is required.

iv) Impede or redirect flood flows?

Less than Significant. The project is in an area with minimal flood risk (FEMA 2021). While not expected, localized flooding could occur in the area. Removal of impervious surfaces on the site would tend to slow the rate of current stormwater runoff at the site, which is generally beneficial from flooding standpoint. Ultimately, the project would not impede or redirect flood flows. Therefore, this impact would be ***less than significant***, and no mitigation is required.

d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?

No Impact. The project site is located within an area of reduced flood risk (Zone X) (FEMA 2021). The project is in an area of mostly flat terrain with no nearby large open bodies of water. For these reasons, the project would not be expected to be inundated. There would be ***no impact***, 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. During project implementation, SMUD would implement BMPs, consistent with City's water quality and watershed protection measures, as required by



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the Phase I NPDES Permit and implemented through the SQIP. Following completion of the project, the site would not include additional impervious surfaces or generate wastewater, so there would be no conflict with or obstruction of a water quality control plan following demolition and remediation activities. The project would not require the use of any potable water, including groundwater. Because the project would implement BMPs consistent with local water quality control measures, this impact would be ***less than significant***, and no mitigation is required.

3.12 Land Use and Planning

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XII. 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"/>

3.12.1 Environmental Setting

The project site is located in the city of Sacramento in Sacramento County. The project site has been used as SMUD's corporation yard for decades, but these uses have been transitioning to other sites as part of SMUD's Headquarters Campus Master Plan. Prior to site remediation, any remaining uses would be removed from the site. There are existing residential units west of the site, commercial development north of the site, a Caltrans yard and buildings east of the site, and U.S. Highway 50 south of the site.

3.12.2 Discussion

a) Physically divide an established community?

No Impact. The project would involve the remediation of soil contamination of SMUD's corporation yard that is no longer in use. The project would not introduce any barriers within the project area and would not lead to a physical division of an established community. There would be **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. Project construction would occur within the project site and would remove existing buildings and surface features and install soil vapor extraction equipment as required to meet remediation goals. The project does not propose any future use of the project site. As discussed in Section 3.4, Biological Resources," SMUD would voluntarily comply with the City of Sacramento's tree ordinance as it applies to public utilities. The project would not conflict with any adopted plans, policies, or regulations adopted for avoiding or mitigating an environmental effect. Therefore, this impact would be **less than significant**, and no mitigation is required.

3.13 Mineral Resources

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XIII. 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"/>

3.13.1 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 site is classified as MRZ-1, which indicates no significant mineral deposits are located at the project site (DOC 1999). The project site is not designated as a locally important mineral resource recovery site in the Sacramento 2035 General Plan Update (City of Sacramento 2014b).

3.13.2 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 site is classified as MRZ-1, and no known mineral deposits are present at the project site. Therefore, there would be **no impact**, and no mitigation is 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 site and surrounding area is not designated as a locally important mineral resource recovery site in the Sacramento 2035 General Plan Update (City of Sacramento 2014b: Figure 6-11). 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 is required.

3.14 Noise and Vibration

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XIV.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 type="checkbox"/>	<input checked="" type="checkbox"/>

3.14.1 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. For example, a 65-dB source of sound, such as a truck, when joined by another 65-dB source results in a sound amplitude of 68 dB, not 130 dB (i.e., doubling the source strength increases the sound pressure by 3 dB). A sound level increase of 10 dB corresponds to 10 times the acoustical energy, and an increase of 20 dB equates to a 100-fold increase in acoustical energy. The human ear is not equally sensitive to loudness at all frequencies in the audible spectrum. To better relate overall sound levels and loudness to human perception, frequency-dependent weighting networks were developed, identified as A through E. There is a strong correlation between the way humans perceive sound and A-weighted sound levels. For this reason, the A-weighted sound levels are used to predict community response to noise from the environment, including noise from construction activities, and are expressed as A-weighted decibels (i.e., dBA).

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 a variety of factors. Atmospheric conditions such as windspeed, wind direction, turbulence, temperature gradients, and humidity alter the propagation of noise and affect levels at a receiver. 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.

Various noise descriptors have been developed to describe time-varying noise levels. The noise descriptors used in this section include:

- **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). For instance, the 1-hour equivalent sound level, also referred to as the hourly L_{eq} , is the energy average of sound levels occurring during a 1-hour period.
- **Maximum Noise Level (L_{max}):** The highest instantaneous noise level during a specific time period (Caltrans 2013:2-48).
- **A-Weighted Decibels (dBA):** A measurement of sound energy used to predict community response to a noise from the environment based on how humans perceive sound levels.

Ground Vibration

Vibration is the periodic oscillation of a medium or object with respect to a given reference point. Groundborne vibration is vibration of and through the ground. Sources of groundborne 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).

Groundborne vibration amplitudes are commonly expressed in peak particle velocity (PPV) or root-mean-square (RMS) vibration velocity. PPC and RMS vibration velocity are normally described in inches per second (in/sec) but can also be expressed in decibel notation (VdB), which is used mainly in evaluating human response to vibration.

Existing Noise Sources

Because the project site is located in a highly developed area, numerous noise sources exist in the project vicinity, most prominently the vehicles travelling on U.S. 50 and Sac RT's light rail transit (LRT). The LRT line bisects the southern portion of the SMUD

corporation yard, and U.S. 50 is located directly south of and adjacent to the project site. Commercial loading docks that are part of retail land uses are located just across the northern property line of the northern portion of the site. At-grade crossing signals that are part of the LRT system are located near the southeast corner of the northern portion of the site at the 59th street crossing.

Noise- and Vibration-Sensitive 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 the intended purpose, and historic buildings that could sustain structural damage due to vibration. Residential dwellings are of primary concern because of the potential for increased and prolonged exposure of individuals to both interior and exterior noise levels, and because of the potential for nighttime noise to result in sleep disruption. Additional land uses such as parks, schools, cemeteries, and recreation areas are also generally considered sensitive to increases in exterior noise levels.

Noise sensitive receptors near the project site include single-family residential units located approximately 163 feet adjacent to and west of the site, and the Lighthouse Child Development Center located approximately 1,335 feet southeast of the project site.

Local Noise Regulations

The City's 2035 General Plan Environmental Constraints Element (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 sources) and the City Noise Ordinance contains noise limits for sensitive receptors that are considered relevant to the evaluation of potential noise impacts as a result of the project. Consistent with City planning efforts, this analysis considers the following noise thresholds:

- construction-generated noise levels in excess of City Noise Control Ordinance standards during the more noise-sensitive evening, nighttime, and early-morning hours (6 p.m. to 7 a.m., Monday through Saturday, and between 6 p.m. and 9 a.m. on Sunday);
- construction-generated vibration levels exceeding Caltrans-recommended standards with respect to the prevention of structural building damage (0.2 in/sec PPV for fragile buildings) or FTA's maximum-acceptable-vibration standard with respect to human response (80 VdB for residential uses) at nearby existing vibration-sensitive land uses during daytime hours; and
- 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, public use airport, or private airstrip, exposure of people residing or working in the project area to excessive noise levels.

3.14.2 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. The project would be limited to short-term demolition/remediation activities that could result in temporary increases in noise levels; however, once demolition and remediation activities cease, no operational activities would occur. Thus, this impact focusses on short-term temporary increase in noise associated with the proposed demolition/remediation activities. Note that the term “demolition and remediation” activities is used synonymously with construction activities in this analysis.

Temporary increases in noise would result from the use of heavy-duty equipment for excavation of material, demolition of buildings, and material off-hauling. Based on the types of activities that would occur (e.g., excavation, groundwork, soil remediation, demolition, and material hauling), typical equipment such as dozers, backhoes, excavators, concrete saws, loaders, work trucks, and haul trucks would be required. Construction noise would be short-term, and the operation of heavy-duty equipment would be intermittent throughout the day during construction activities. Noise levels from these types of construction equipment are shown in Table 3.14-1 below.

Table 3.14-1 Reference Noise Levels from Construction Equipment

Equipment Type	Typical Noise Level L_{max} (dBA) @ 50 feet ¹
Backhoe	80
Concrete Saw	90
Dozer	85
Excavator	85
Loader	85
Dump Truck	84

Notes: L_{max} = Maximum Noise Level; dBA = A-Weighted Decibel.

¹ Noise levels assume all equipment is fitted with a properly maintained and operational noise control device, per manufacturer specifications. Noise levels listed are manufacture-specified noise levels for each piece of heavy construction equipment.

Source: FTA 2018

Remediation and demolition activities would generate noise levels near individual sensitive receptors throughout the duration of the construction period, but only for relatively brief periods (intermittently throughout the day) and would cease when construction activity is complete. Construction activity involving the demolition of the two buildings and soil excavation work would occur over an eight-month period, ending in 2022, while soil remediation activity is planned through the end of 2025. All construction activity would take place between 7 a.m. and 6 p.m., Monday through Saturday and between 9 a.m. and 6 p.m. on Sunday, times when noise impacts are less likely to effect



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sensitive receptors (e.g., day-time hours), thereby reducing construction noise impacts to nearby receptors. The closest sensitive receptors are residential units located 163 feet west of the project site.

It was conservatively assumed that the loudest three pieces of equipment – a concrete saw, a dozer, and an excavator – would be operating simultaneously in close proximity to each other, combining to generate a modeled maximum noise level from construction activity. Note that pieces of construction equipment move around a construction site and generally are not close to each other for safety reasons; thus, noise levels would fluctuate through the day, depending on the actual activity taking place and number of equipment operated at any one location on the site.

Assuming simultaneous operation of a concrete saw, a dozer, and an excavator and accounting for typical usage factors of individual pieces of equipment and activity types along with typical attenuation rates, on-site construction related activities could result in hourly average noise levels of approximately 87 L_{eq} and 92 L_{max} at 50 feet. At a distance of 163 feet (i.e., the location of the nearest sensitive receptors to the west of the project site), construction related activities could result in hour average noise levels of approximately 73.3 L_{eq} and 78.6 L_{max} . Within the City of Sacramento, the City's Municipal Code Section 8.28.060 exempts certain activities, including construction, from the City's noise standards as long as the activities are limited to the hours of 7 a.m. to 6 p.m. Monday through Saturday, and 9 a.m. to 6 p.m. on Sunday. This exemption provides that construction equipment must include appropriately maintained exhaust and intake silencers. However, the City does not specify limits in terms of maximum noise levels that may occur during the allowable construction hours. As described in the project description, project construction would occur between 7 a.m. and 6 p.m., Monday through Saturday and between 9 a.m. and 6 p.m. on Sunday, times when construction activity is exempt thereby complying with applicable noise standards.

In addition to onsite remediation/demolition work, haul trucks would be required for off-hauling material (i.e., construction debris, scrap metal, soil, and any hazardous materials) to waste disposal sites which could generate noise at receptors located near haul routes, primarily local roadways in residential neighborhoods. Construction debris and non-hazardous soil would be disposed of at Kiefer Landfill, metal would be disposed at Alco or Schnitzer Steel, and soil classified as hazardous waste would require disposal at a class I, II, or III landfill (i.e., Recology Hay Road, Button Willow, or Kettleman Hills), however if Clean Harbors is used, soil would be disposed of in Clean Harbors Landfill.

Based on the location of the site and anticipated disposal sites, primary regional access to/from the project site would be via Highway 50. Local roads most likely to be used would be 59th, 65th, T, and S Street, where residences are located as close as 50 feet from the roadway edge.

During demolition, up to 20 truck trips could occur per day (3 per hour) would be the most intensive truck hauling activity. Based on reference noise levels for haul trucks (Table

3.14-1), trucks generate similar noise levels to heavy-duty equipment, thus, assuming up to three trucks per hour traveling on any given road, the project would not generate more noise than discussed above for multiple onsite construction equipment (i.e., 84 dBA L_{eq} to 89 dBA L_{max}). In addition, hauling activity would only occur for a short duration of time once initiated (i.e., approximately one month) and soil removal hauling activities would include soil to be stockpiled onsite until haul trucks would simultaneously haul out all excavated soil. Therefore, any nearby receptors would not be exposed to truck hauling noise for long periods of time. Further, all truck hauling activity would occur during daytime hours (i.e., between 7 a.m. and 6 p.m., Monday through Saturday and between 9 a.m. and 6 p.m. on Sunday), times when noise is less likely to effect sensitive receptors, consistent with City daytime hours established by code.

Because project construction and truck hauling activities (i.e., demolition and remediation) would be temporary and intermittent, and would only occur during the less sensitive daytime hours, pursuant to the City's Noise Control Ordinance standard (i.e., construction noise exemption), the project would not generate a substantial temporary increase in ambient noise levels in excess of allowable standards in the vicinity of the project and this impact would be **less than significant** and no mitigation is required.

b) Generation of excessive groundborne vibration or groundborne noise levels?

Less than Significant. The project does not include any operational activities; thus, there would not be any new operational vibration sources (e.g., highways, rail, transit). However, construction activities would generate minor temporary ground vibration, the intensity of which would depend on the specific construction equipment used and activities involved. Construction activities would result in ground vibration from the use of heavy-duty construction equipment. Construction may result in varying degrees of temporary ground vibration levels due to intermittent operation of various types of construction equipment and activities. Based on the types of construction activities associated with the project (e.g., excavation, soil remediation, and building demolition), the use of heavy-duty equipment such as dozers during demolition would be associated with the maximum ground vibration levels.

According to the Federal Transit Authority (FTA), large dozers produce groundborne vibration levels that could result in 0.089 inches per second (in/sec) peak particle velocity (PPV) and 87 vibration decibels (VdB) within 25 feet of operational construction equipment (FTA 2018, Caltrans 2020). Caltrans recommends a level of .2 in/sec PPV with respect to structural damage for fragile buildings (i.e., nearby residential receptors). 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.

Vibration levels would exceed the FTA vibration threshold for sensitive uses (i.e., 80 VdB) within 42 feet of construction activity and would exceed the Caltrans-recommended level for fragile buildings (i.e., 0.089 in/sec PPV) at a distance of 15 feet. Construction activities



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would be located 163 feet away from the nearest receptor and structure, located west of the project site, and hauling activities would occur as close as 50 feet from existing structures/sensitive receptors. Thus, both onsite and offsite construction activities would occur beyond distances at which structural damage or human disturbance could occur. Furthermore, all construction and hauling activities would occur during the less-sensitive daytime hours, consistent with City code.

Sensitive receptors would not be expected to experience exposure to .2 in/sec PPV or 80 VdB as a result of project construction activities. Project construction and truck hauling activities would not occur during typical sleep hours (i.e., construction would only occur between 7 a.m. and 6 p.m., Monday through Saturday and between 9 a.m. and 6 p.m. on Sunday). 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?**

No Impact. The project site is not located within an airport land use plan or within two miles of a public airport or public use airport. Additionally, the project is not located within two miles of a private air strip. The closest airport to the project site is the Sacramento Executive Airport and is located approximately 3.7 miles southwest. Also, the project would not include any new land uses where people would live or work. Thus, the project would have **no impact** regarding the exposure of people residing or working in the project area to excessive aircraft-related noise levels, and no mitigation is required.

3.15 Population and Housing

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XV. 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"/>

3.15.1 Environmental Setting

The project involves remediation for soil contamination, which would include demolition of multiple buildings on the project site. The project would not include any future reuse of the site. Therefore, the project would not generate any new residents in the area or provide any new jobs within the Sacramento region.

3.15.2 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 remediation of the site to extract soil contamination and would not include any future use of the site. The project does not include new homes or businesses. Further, the temporary addition of remediation systems on the project site would not induce or generate population growth. Therefore, the project would have **no impact**, and no mitigation is 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 is required.



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3.16 Public Services

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XVI. 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"/>

3.16.1 Environmental Setting

The project site is located within the City of Sacramento and is served by City of Sacramento public services (police, fire, schools, parks, and libraries).

Fire Protection Services

The Sacramento Fire Department (SFD) provides fire protection services to the project site the entire city, as well as some small areas outside the city boundaries within Sacramento County. The fire station closest to the project site is Sacramento Fire Department Station 8 at 5990 H Street, located approximately 0.9 miles northeast of the site.

Police Protection Services

The Sacramento Police Department (SPD) is principally responsible for providing police protection services in the city of Sacramento, including the project area. The SPD main office is located at 300 Richards Boulevard, located approximately 4.3 miles northwest of the project site.

Schools

The nearest public school, Phoebe A. Hearst Elementary School at 1410 60th Street, is located approximately 0.15 miles east of the project site. There is one other school located within one-quarter mile of the project site, St. Mary Parish School located at 1351 58th Street.



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Parks and Other Public Facilities

The nearest park, Sierra Vista Park, is located approximately 0.2 miles southwest of the project site. Additionally, East Portal Park is located approximately 0.4 miles north the project site. This 7.38-acre park includes bocce courts, a clubhouse, picnic areas, play areas, and a softball field.

3.16.2 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 SFD fire protection services because the project would not generate new residents, which is the driving factor for fire protection services, nor would it result in the operation of additional structures within the project area that could generate calls for service. 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 is required.

Police Protection

No Impact. Implementation of the project would not increase demand for SPD police protection services because the project would not generate new residents, which is the driving factor for police protection services, nor would it result in the operation of additional structures within the project area that could generate calls for service. 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 is 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 is required.



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Parks

No Impact. The project would not provide any new structures that could result in additional residents/employees, which could necessitate new or expanded park facilities. Therefore, the project would have ***no impact*** on parks, and no mitigation is required.

Other Public Facilities

No Impact. Though the project is located near public transportation stations, including 59th street light rail station, the project would not result in additional residents or employees that would utilize these public facilities, nor would the project attract existing residents toward the area. Therefore, the project would have ***no impact*** on other public facilities, and no mitigation is required.

3.17 Recreation

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XVII. 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"/>

3.17.1 Environmental Setting

The project site is located within the city of Sacramento. The nearest park, Sierra Vista Park, is located approximately 0.2 miles southwest of the project site. Additionally, East Portal Park is located approximately 0.4 miles north the project site. This 7.38-acre park includes bocce courts, a clubhouse, picnic areas, play areas, and a softball field.

3.17.2 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 (i.e., residential, office, or commercial) that could increase the use of existing local parks or recreational facilities. Therefore, the project would have **no impact**, and no mitigation is 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 is required.

3.18 Traffic and Transportation

ENVIRONMENTAL ISSUES	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less-Than-Significant Impact	No Impact
XVIII. 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3.18.1 Environmental Setting

The project site is located at 1708 59th Street in Sacramento and is bisected by a Sacramento Regional Transit light rail line. Along the project site, 59th Street is a two-way, two-lane street with bike lanes and sidewalks on both sides. Directly north of the project site, there is an alley that runs behind the commercial center that fronts towards Folsom Boulevard. Project activities would be contained within the project site owned by SMUD. There is a light rail stop located east of 59th Street.

3.18.2 Discussion

a) Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities?

Less than Significant. Project demolition and remediation activities would be contained within the project site and would not interfere with existing vehicle, transit, bicycle, and pedestrian circulation other than adding a small amount of vehicle trips going to and coming from the project site. Upon completion of site remediation, there would not be an increase in traffic beyond pre-project levels. Any future reuse of the project site would be subject to additional CEQA review by the City of Sacramento. Project operation would not generate additional vehicle, transit, pedestrian, or bicycle use, so there would be no conflicts with programs, plans, ordinances, or policies related to circulation. Therefore, this impact would be **less than significant**, and no mitigation is required.

b) Conflict or be inconsistent with CEQA Guidelines section 15064.3(b), which pertains to vehicle miles travelled?

Less than Significant. Temporary demolition and construction activities would result in slight increases in vehicle trips associated with worker commutes, solid waste hauling, and materials delivery. During the 4-year operational period of the SVE systems, the site would be visited approximately once per week by one to two workers at a time. Thus, there would be fewer trips generated during project operation than under pre-project conditions. Because the project would not change the amount of development projected for the area, would be consistent with the population growth and VMT projections in regional and local plans, and would have only a slight increase in VMT 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. As discussed in item a) above, project activities would be confined to the project site and would not result in any changes in road geometry or new uses. 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. As discussed above, the project would not change any existing roads, including areas provided for emergency access. Project demolition and remediation activities would be confined to the project site and would not interfere with emergency access. Therefore, impacts related to emergency access would be ***less than significant***, and no mitigation is required.

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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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 involves demolition of existing structures and remediation of contaminated soil. These activities would not require a significant water supply or generate wastewater requiring disposal. Project construction and demolition activities could require dewatering activities, and the water could be retained in Baker tanks and/or conveyed through filtration bags, if needed, prior to being released to the City's combined sewer system (CSS) that serves the project site. Stormwater from the project site drains to the existing storm drain along 59th Street.

Most refuse collected by the City is transported to the Kiefer Landfill (City of Sacramento 2014b:4-44). Sacramento County owns and operates the Kiefer Landfill, and the landfill is the primary solid waste disposal facility in the county. The Kiefer Landfill is classified as a Class III municipal solid waste landfill facility and is permitted to accept general residential, commercial, and industrial refuse for disposal, including municipal solid waste, construction and demolition debris, green materials, agricultural debris, and other nonhazardous designated debris.

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 remove existing structures and install a soil vapor extraction system. The project site would not be home to regular employees but would be visited periodically as necessary for the operations and maintenance of the soil vapor extraction system. No new restroom facilities or other sources of water demand or wastewater generation would be part of the project. As the project operation involves site remediation only, there are no anticipated water demands or wastewater generation associated with it. Project water demand and wastewater generation would be substantially similar to or less than existing system demands and flows. This impact would be **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?**

Less than Significant. Due to the nature of the project, the project would not require additional water supplies. Because the demand would be substantially similar to or less than existing demand, the impact would be **less than significant**, 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?**

Less than Significant. As the project involves only demolition and site remediation, wastewater would not be generated once these activities are complete. Therefore, the project would have **less-than-significant** impact related 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?**

Less than Significant. The project would generate solid waste during construction activities by the removal of existing structures on the project site. Construction debris could include asphalt, concrete, soil, scrap lumber, finishing materials, metals, and organic materials. Compliance with the 2013 CALGreen Code and the City Construction and Demolition Debris Recycling Ordinance would result in a reduction of construction waste and demolition debris and increase recycling. In addition, the construction



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contractor would comply with the goals of the Sacramento 2035 General Plan Update, which contains goals regarding solid waste generation and recycling.

The majority of landfilled waste would be delivered to the Sacramento Recycling and Transfer Station, the Sacramento County Kiefer Landfill, the Yolo County Landfill, L and D Landfill, Florin Perkins Landfill, and Elder Creek Transfer Station. Combined, these landfills have a large volume of landfill capacity available to serve the project during construction. As the project involved site remediation, it is not anticipated that any solid waste would be generated once remediation activities have been concluded. This impact would be ***less than significant***, and no mitigation is required.

e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?

Less than Significant. The project would cause a temporary increase in the generation of solid waste as a result of demolition and remediation activities. During operation of the SVE systems, soil vapor would be trapped in large carbon-filled drums. These drums would be periodically removed and replaced, with the contents hauled off-site to be tested and disposed of at the appropriate facility. Compliance with the City of Sacramento policies regarding solid waste would prevent landfills from being overloaded due to the project construction activities. 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 checked="" 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 checked="" 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 checked="" 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 checked="" type="checkbox"/>

3.20.1 Environmental Setting

The project site is located within a local responsibility area that is designated as a non-Very High Fire Hazard Severity Zone (non-VHFHSZ) (CAL FIRE 2008).

3.20.2 Discussion

a) Substantially impair an adopted emergency response plan or emergency evacuation plan?

Less than Significant. Project demolition and remediation would take place completely within SMUD's property located at 1708 59th Street, though demolition and remediation debris would be hauled offsite for disposal in landfills or recyclers. No work is anticipated to take places with the adjacent roadways or rights-of-way. Because project activities would be confined to the project site, there would be no lane closures or other actions that could temporarily impair emergency response plans or evacuation plans. Because access and connectivity would be maintained during demolition and remediation activities, the project would not substantially impair an emergency response plan or evacuation plan. Once remediation activities are complete, the site would not be utilized



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for corporation yard activities and would not impair emergency response or evacuation. Because adequate access would be maintained throughout construction activities, this impact would be ***less than significant***, and no mitigation is required.

- 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?**

No Impact. The project would not exacerbate wildfire risks as the project site is not located within a wildfire hazard zone, is substantially surrounded by developed land, and is not near wildland areas. There would be ***no impact***, and no mitigation is required.

- 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?**

Less than Significant. The project involves the removal of multiple buildings on the project site and the temporary installation of SVE equipment. The project would not exacerbate fire risk because the project would adhere to all safety requirements for the equipment to be installed. This impact would be ***less than significant***, and no mitigation is required.

- 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 is located in an area of predominantly flat terrain and would not involve changing slopes in a manner that could expose people to risks of flooding from post-fire slope instability. Project facilities would be located both aboveground and under the ground surface, however, would operate similar to current conditions and would not result in changes to existing drainage. 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
XXI. 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, project activities would occur within paved areas and the project would not result in significant impacts on biological resources with implementation of Mitigation Measure 3.4-1.

As discussed in Section 3.5, "Tribal Cultural Resources," there remains a possibility that Tribal cultural resources could be encountered during ground disturbing activities but implementation of Mitigation Measure 3.5-1 would reduce potential impacts to a less-

than-significant level. As discussed in Section 3.6, “Cultural Resources,” there are no known cultural resources on the project site. Because there is the potential for discovery of previously unknown resources, Mitigation Measures 3.6-1 and 3.6-2 would be implemented to reduce impacts to a less-than-significant level. Also, implementation of Mitigation Measure 3.8-1 would reduce impacts on paleontological resources to a less-than-significant level.

Implementation of project mitigation measures, along with adherence to applicable regulations and requirements, would ensure that the project would not substantially degrade the quality of the environment. This impact would be ***less than significant***.

- 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 that can be reduced to a less-than-significant level with implementation of recommended mitigation measures include the following areas: biological resources, cultural resources, geological resources, and tribal cultural resources. These impacts would be related to construction and remediation activities, would be temporary in nature, and would not substantially contribute to any potential cumulative impacts associated with these topics.

Potentially significant biological resources impacts would be reduced to a less-than-significant level with implementation of Mitigation Measure 3.4-1. Potentially significant Tribal cultural resources impacts would be reduced to a less-than-significant level with implementation of Mitigation Measures 3.5-1 and 3.6-1. Potentially significant cultural resources impacts would be reduced to less-than-significant levels with implementation of Mitigation Measures 3.6-1 and 3.6-2. Potentially significant impacts related to geology and soils would be reduced to less-than-significant levels with implementation of Mitigation Measure 3.8-1.

The project would have no impact or less than significant impacts to the following environmental areas: aesthetics, agriculture and forestry resources, energy, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, transportation, utilities and service systems, and wildfire. Therefore, the project would not substantially contribute to any potential 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



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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 as a result of project implementation. 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 the following areas: air quality, biological resources, Tribal cultural resources, cultural resources, and geology and soils. 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. List of Preparers

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RESOLUTION NO. _____

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 **59th Street Demolition and Remediation Project (Project)** to install a full-scale soil vapor extraction (SVE) system to remediate volatile organic compound (VOC)-impacted soil gas, and excavation and disposal of soil contaminated with arsenic; and

WHEREAS, in order to access the contamination, multiple buildings would require demolition; and

WHEREAS, the **Project** would include building demolition, installation and operation of the SVE system, and excavation and disposal of contaminated soil; and

WHEREAS, all remediation activities would be reviewed and, prior to implementation, must be approved by the **California Department of Toxic Substances Control (DTSC)** to ensure protection of human health and the environment; and

WHEREAS, SMUD prepared an **Initial Study, Final Mitigated Negative Declaration**, 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 January 18, 2022, through February 16, 2022; a virtual public meeting was held on January 27, 2022, which was attended by approximately 35 members of the public; and one public comment was received; and

WHEREAS, all comments received during the public review period have been responded to as appropriate and incorporated into the **Initial Study, Final Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program**; and

WHEREAS, the **Initial Study, Final 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, Final Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program**, together with comments received during the public review period; finds that the **Initial Study, Final Mitigated Negative Declaration** and **Mitigation Monitoring and Reporting Program** as set forth in **Attachment __** 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, Final**

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, Final 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 **59th Street Demolition and Remediation Project (Project)** may have a significant effect on the environment.

Section 3. Based on the **Initial Study, Final Mitigated Negative Declaration, Mitigation Monitoring and Reporting Program**, and the findings made by this Board, this Board adopts the **Final 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**.