



NOTICE OF DETERMINATION

Pursuant to CEQA Guidelines, Section 15095

To: Office of Planning & Research
State Clearinghouse
1400 Tenth Street
Sacramento CA 95814

From: Sacramento Municipal Utility District
6201 S Street
P O Box 15830
Sacramento CA 95852-0830

Project Title: Upper American River Project (UARP) Relicensing, Including a New Pumped-storage Development: SCH#2008052009

Project Location: El Dorado and Sacramento counties

Project Description: The Upper American River Project (UARP) is a hydroelectric project in the Sierra Nevada Mountains and foothills east of Sacramento, California. SMUD proposes to accept a new license issued by the Federal Energy Regulatory Commission (FERC) that will require, among other things, a reoperation of the UARP under the terms of a comprehensive settlement agreement reached between SMUD and state and federal resource agencies, non-governmental agencies, and members of the public. Measures contained in the settlement agreement cover: (1) water releases from UARP reservoirs into downstream river reaches for channel maintenance, aquatic resource habitat, and whitewater boating purposes; (2) water storage in UARP reservoirs; (3) upgrading of recreation facilities; and (4) implementation of resource management and monitoring plans. The new license will also authorize SMUD to construct and operate the 400MW Iowa Hill Pumped-storage facility as a newly integrated development of the UARP.

Summary of Significant Effects: The Sacramento Municipal Utility District is the lead agency under CEQA for the relicensing of UARP. The environmental effects of the project were assessed in an Environmental Impact Statement (EIS) co-authored by the FERC and U.S. Forest Service as well as a CEQA Supplemental Analysis to the EIS, prepared by SMUD. When a project requires compliance with both CEQA and NEPA, as is the case with this project, PRC Section 21083.7 requires the lead agency to use an EIS rather than prepare an EIR whenever possible, if the EIS is prepared before the EIR is required and complies with the State CEQA Guidelines. The FEIS was completed for the proposed UARP relicensing project before the need for CEQA compliance. Thus, SMUD relied on the FEIS as the final environmental impact report (FEIR) under CEQA, and prepared a CEQA supplemental analysis to the FEIS (CEQA supplement) to address issues required under CEQA that were not discussed in the FEIS. Together, these documents fully evaluate the environmental effects of SMUD's acceptance and implementation of a new FERC license. On September 18, 2008,

SMUD's Board of Directors certified that the FEIS and Final CEQA Supplement were completed in compliance with CEQA.

Findings: Findings were made for the project, summarizing the significant environmental effects disclosed in the EIS and CEQA Supplemental Analysis. Unavoidable significant impacts were found in the areas of wildlife habitat, noise, and cultural resources, despite the implementation of mitigation measures.

Statement of Overriding Considerations: A Statement of Overriding Consideration was adopted for the project. The significant impacts were determined by SMUD to be outweighed by the project benefits of: (1) a continued significant source of economic and carbon-free energy; (2) a new 400MW source of dispatchable capacity; and (3) significant enhancement of aquatic/terrestrial resource habitat and recreation.

Mitigation and Monitoring Report: A mitigation and monitoring report was adopted by SMUD. Provided in the CEQA Supplemental Analysis document, the report included a discussion of the means by which all mitigation measures and monitoring programs will be developed and implemented in consultation with state and federal resources agencies, and enforced by FERC under new UARP license.

Project Approval: The SMUD Board of Directors approved the Upper American River Project Relicensing on Thursday, July 19, 2012.

Document Availability: The following documents are available to the general public at the SMUD address given above or the website: <http://hydrorelicensing.smud.org>

Final Environmental Impact Statement for Hydropower License, Upper American River Project FERC Project No. 2101-084, California, Chili Bar Hydroelectric Project, FERC Project No. 2155-024, California. Prepared by the Federal Energy Regulatory Commission and the U.S. Department of Agriculture Forest Service. 2008.

Final CEQA Supplemental Analysis to the FERC/USFS Final Environmental Impact Statement for Hydropower License and Analysis of Iowa Hill Joint Advisory Committee Comments. Prepared by the Sacramento Municipal Utility District. 2008.

Facts, Findings, and Statement of Overriding Considerations Regarding the Environmental Effects of the Upper American River Project Relicensing. Prepared by the Sacramento Municipal Utility District. 2012.