



Agenda Report

20-640

Agenda Date: 7/7/2020

REPORT TO COUNCIL

SUBJECT

Action on Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Program for the South Loop Reconfigure Project to Construct New Electrical Transmission Lines on Lafayette Street, Mathew Street, Martin Avenue and De La Cruz Boulevard and Related Budget Amendment [Council Pillar: Deliver and Enhance High Quality Efficient Services and Infrastructure]

BACKGROUND

The City of Santa Clara's Electric Utility, Silicon Valley Power (SVP), is proposing to construct approximately 3.5 miles of new single and double circuit 60 kilovolt (kV) overhead transmission line within the northeastern area of the City of Santa Clara. SVP's primary objective of the South Loop Reconfigure Project (Project) is to shift the electrical load demand that is currently being seen on the South Loop Circuit to the East Loop Circuit to increase capacity and system reliability.

On June 16, 2015, the City Council adopted the FY 2015/16 Capital Improvement Program (CIP) Budget which included the initial funding for the engineering for this 60kV conducting and upgrading project. On July 12, 2016, the City Council approved a professional services agreement with Electrical Consultants, Inc. to provide transmission line engineering design services which included reconfiguring the south transmission loop. The City Council also took action on January 14, 2020 to amend a service agreement with Valbridge Property Advisors to perform appraisal services as part of the easement acquisition for the Project.

The majority of the new 60 kV transmission line would be constructed along the following city streets in areas where existing power lines do not currently exist: Lafayette Street, Mathew Street, Martin Avenue and De La Cruz Boulevard. The remaining segments of the Project would be along routes that have existing distribution power lines and/or telecommunication lines.

DISCUSSION

SVP retained Aspen Environmental Group to prepare an initial study and mitigated negative declaration (IS/MND) in accordance with the California Environmental Quality Act (CEQA). The IS/MND concluded that environmental impacts from the Project would be mitigated to less-than-significant levels with implementation of the Mitigation, Monitoring, and Reporting Program (Section 6 of the IS/MND).

To ensure sufficient funding is appropriated prior to bidding the construction of the project, staff is requesting an increase of \$6.3 million to the Transmission System Reinforcement Capital Improvement Project (No. 2124) from the unallocated ending fund balance in the Electric Utility Capital Fund. The project elements include the construction of concrete pole foundations, labor to install the steel poles, installation of conductors and pole top assemblies, commission and testing as well as Mitigation Monitoring and Reporting Program (MMRP) compliance and construction project

management.

ENVIRONMENTAL REVIEW

A Mitigated Negative Declaration (MND) was prepared for the Project by the environmental consultant firm Aspen Environmental Group, in accordance with the California Environmental Quality Act (CEQA). The MND and Notice of Intent to Adopt a MND were posted on SVP's website at <https://siliconvalleypower.com/projects> on May 8, 2020 and circulated for a 30-day public comment period that closed on June 8, 2020, in accordance with CEQA requirements. SVP received agency comments in response to the MND from Santa Clara Valley Water District. Responses to comments received on the MND during the 30-day review period were prepared and are provided as Attachment 1.

The MND examined environmental impacts associated with project development and identified potentially significant impacts to air quality, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, traffic/transportation, tribal cultural resources that with incorporation of mitigation measures identified in the MND and Mitigation Monitoring and Reporting Program (MMRP). This MMRP has been prepared to ensure that the mitigation measures presented above are properly implemented (see the MND Section 6). The MMRP describes specific actions required to implement each measure, including information on timing of implementation and monitoring requirements. Based on the analysis and conclusions of the Initial Study, the impacts of the Project would be mitigated to less- than-significant levels with the implementation of the mitigation measures presented herein, which have been incorporated into the proposed project. The MND, responses to comments received on the MND, and the MMRP are posted on SVP's website at: <http://siliconvalleypower.com/projects>.

Staff recommends adopting the Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Program for the Project.

FISCAL IMPACT

The South Loop Reconfigure Project was approved in the Adopted Capital Improvement Program in Project No. 2124 Transmission System Reinforcement. To ensure sufficient funding is available prior to the Public Works construction bid process, staff recommends the appropriation of \$6,300,000 to reflect the total anticipated project cost through construction, commissioning and energization. The Project is primarily funded through developer contributions and SVP anticipates increased revenues from data center load growth served by this South Loop Reconfigure Project. Funds are available in the unallocated ending fund balance in the Electric Utility Capital Fund.

Budget Amendment FY 2020/21

	Current	Increase/ (Decrease)	Revised
Electric Utility Capital Fund			
<u>Fund Balance</u>			
Unrestricted Ending Fund Balance	\$6,599,725	(\$6,300,000)	\$299,725

Expenditures

Transmission System	\$5,773,795	\$6,300,000	\$12,073,795
Reinforcements (591-2124)			

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>.

RECOMMENDATION

1. Adopt a Resolution adopting the Mitigated Negative Declaration and Mitigation, Monitoring and Reporting Program for the South Loop Reconfigure Project;
2. Authorize staff to file a Notice of Determination with the County Clerk-Recorder and State Clearinghouse; and
3. Approve the FY 2020/21 budget amendment in the Electric Utility Capital Fund to increase the Transmission System Reinforcements Capital Improvement Program Project by \$6,300,000 and reduce the unrestricted ending fund balance by \$6,300,000.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Resolution
2. Final MNDM and MRP