

**CALENDAR ITEM
C45**

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04/06/10
Bid Log 2009-09
W 26302, RA# 06508
D. Brown, A. Abeleda, C. Huitt

**REQUEST AUTHORITY FOR THE EXECUTIVE OFFICER
TO SOLICIT PROPOSALS FOR CONSULTANT SERVICES, NEGOTIATE FAIR AND
REASONABLE PRICE, AWARD AND EXECUTE AGREEMENTS FOR MITIGATION
MONITORING OF THE PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE FORT
SAGE TO HERLONG 120 KV TRANSMISSION LINE AND SUBSTATION
INTERCONNECT, CALIFORNIA**

PARTY:

California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825-8202

BACKGROUND:

Founded in 1937, Plumas-Sierra Rural Electric Cooperative (PSREC) is a member-owned electric utility providing electrical power and related services to approximately 6,500 members/owners with 8,300 electrical meters. The associated system's facilities include approximately 158 miles of 69kV transmission line and approximately 1,100 miles of 12.5kV distribution line in Plumas, Lassen, and Sierra counties in California and portions of Washoe County in Nevada. The system is presently being served by thirteen substations. The Marble Substation, which is the fourteenth substation, operates as an intertie between PSREC and Sierra Pacific Power Company. PSREC's transmission lines are operated at 69kV; higher voltage currently cannot be provided because there are no feasible ties with higher voltage lines.

PSREC is preparing a NEPA document, specifically an environmental assessment (EA), for the proposed Fort Sage to Herlong 120kV Transmission Line and Substation Interconnect project (proposed Project).

The CSLC staff will review the NEPA document prepared for the proposed project in order to ensure that the EA and Finding of No Significant Impact (FONSI) meets all of the California Environmental Quality Act (CEQA) requirements and can be used as a CEQA-equivalent document. The CSLC intends to use the EA and FONSI in place of a Mitigated Negative Declaration (MND), per CEQA Guidelines sections 15221 and 15225(a).

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Prior to presenting the EA and FONSI in place of a MND and the Mitigation Monitoring Program (MMP) to Commission for consideration, the CSLC staff will complete the following:

- Obtain confirmation that the State Clearinghouse distributed the EA and FONSI after the document has been sent out to the responsible and trustee agencies.
- Prepare and circulate a public notice that the CSLC will use the EA and FONSI in the place of an MND, and state that the CSLC believes the federal document meets the requirements of CEQA.

PROPOSED ACTIVITY:

The proposed project is to construct a 120kV transmission line originating in Nevada at the Fort Sage Substation in Section 33, T26N, R18E, MDM and terminating at the proposed new Herlong Substation, adjacent to the existing Herlong Substation, located at the intersection of Highway 395 and Garnier Road (County Road A26) in Section 22, T26N, R16E, MDM. The proposed transmission line, which would be approximately 14 miles in length, would address local concerns about limitations of current power capacity, increasing demand, regulatory requirements and resource diversity and would allow PSREC to significantly increase electrical supply, including renewable energy resources from geothermal assets located in western Nevada, into the California power system.

Should the Commission adopt the EA and FONSI in place of an MND, adopt the MMP, and approve a lease, the mitigation measures contained within the MMP will need to be monitored. Staff proposes to contract for consultant services to monitor compliance by the lessee with the provisions of the MMP. Solicitation and selection will be conducted consistent with Commission regulations and State policies and procedures. Work to be performed by the consultants is of a limited duration and requires a wide array of technical specialties making the use of Commission staff impractical. All costs will be recovered from the lessee .

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of the CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060 (c)(3) and 15378.

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2. Approval of this item by the Commission does not constitute approval of the proposed lease; it only authorizes consultant contracts for environmental review.

STATUTORY AND OTHER REFERENCES:

- A. Public Resources Code Section 6106 (Delegation to execute written instruments)
- B. State Contracts Manual Section 11.00 A & E method (rev. 10/05)
- C. Public Contract Code Section 6106
- D. Government Code Section 4526
- E. California Administrative Code Title 2 Article 13 Section 2980.0 - 2990.0
- F. Government Code Section 19130

IT IS RECOMMENDED THAT THE COMMISSION:

1. Find that the activity is not subject to the requirements of CEQA pursuant to Title 14, California Code of Regulations, Section 15060(c)(3) because the activity is not a project as defined by Public Resources Code Section 21065 and Title 14, California Code of Regulations, Section 15378.
2. Find that the services are of limited duration and are of such urgent, temporary and occasional nature that the delay in their implementation under civil service would frustrate their very purpose as specified in Government Code Section 19130 (b) (10).
3. Find that the selection of consultants under this process does not affect small businesses as defined in Government Code Section 11342.610, because they will be accorded equal opportunity to submit statements of qualifications and performance data.
4. Find that the selection of consultants under this process for professional services of architectural, landscape architectural, engineering, environmental, land surveying or construction project management services will be consistent with procedures and policies adopted by the Commission as specified in Government Code Section 4526 and Title 2, California Code of Regulations 2980 –2980.9.
5. Authorize the Executive Officer or his designee to solicit proposals, negotiate a fair and reasonable price, award and execute contracts for environmental documentation and mitigation monitoring in accordance with State policies and procedures.
6. Authorize the Executive Officer or his designee to enter into an agreement with project applicant to recover costs incurred in the consideration of this project.