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MEMBERS OF THE CITY COUNCIL

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LAURA FREESE
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April 18, 2012

San Diego Gas & Electric
Attn: Duane Cave
662 Camino Las Mares, SD1420
San Clemente, CA 92673

Re: San Diego Gas & Electric's South Orange County Reliability Enhancement Project

Dear Mr. Cave:

As you know, SDG&E has indicated its intent to file an application with the California Public Utilities Commission for approval of a "Reliability Enhancement Project." The project proposes to construct a 10-foot tall, 360 feet in circumference security wall; two 50-foot tall buildings, and the replacement of the existing utility towers with new taller steel poles. This would also include the demolishing of the current 1918 building that is listed on the City's "Buildings of Distinction" listing.


While it is not always easy to match utility solutions with a given community's desire for quality of life, at the same time, consideration must be taken to the impacts on the immediate residents and the historic nature of the building and its surroundings in this historic town. The City Council believes that through careful planning and a true spirit of cooperation, the City and SDG&E can work out a project agreeable to both entities. Alternatively, we bring to your attention the fact that a major electric facilities corridor exists just east of our City where properties are mostly undeveloped, and which provides an opportunity for SDG&E to fully expand and plan for future expansions with minimal impacts to a well-established community at a location that is fully built out with residences.

Attached to this communication is a resolution passed by the City Council on February 21, 2012, opposing negative impacts of the proposed project, unless fully mitigated. The Mayor and City Council have also established an "Aesthetics Mitigation Team" to work with SDG&E to resolve issues that may arise. On behalf of the Mayor and City Council, I ask that SDG&E partner with the City to mitigate any issues that arise regarding the project. It is imperative to the City Council and San Juan Capistrano residents that the integrity of this beautiful historic town be maintained and its historic aspects respected.

San Juan Capistrano: Preserving the Past to Enhance the Future

Please do not hesitate to contact me if you have any questions regarding this matter at (949) 443-6317.

Sincerely,



Karen P. Brust
City Manager

C: Mayor and City Council

Attachment: Resolution Number 12-02-21-02 dated February 21, 2012.

RESOLUTION NO. 12-02-21-02

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN CAPISTRANO, CALIFORNIA OPPOSING NEGATIVE IMPACTS OF THE PROPOSED SAN DIEGO GAS AND ELECTRIC (SDG&E) SOUTH ORANGE COUNTY RELIABILITY ENHANCEMENT PROJECT UNLESS FULLY MITIGATED

WHEREAS, San Diego Gas & Electric (SDG&E) currently operates an electrical substation in the heart of the small, historic town of San Juan Capistrano, and

WHEREAS, SDG&E operates transmission lines serving the electrical substation, and

WHEREAS, SDG&E has commenced a public relations campaign to gain support for upgrading and substantially increasing the size of these facilities which will include increasing operating voltage and capacity of the transmission lines in order to serve areas far from San Juan Capistrano, and

WHEREAS, SDG&E has indicated its intent to file an application to the California Public Utilities Commission for approval of what SDG&E is calling the "Reliability Project", and

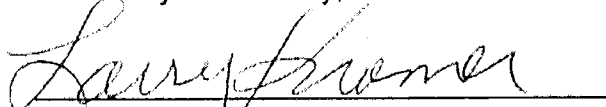
WHEREAS, SDG&E has offered no actual plan of mitigation for the impact of the upgrade to the transmission lines on nearby residences, schools, public open spaces, historic assets, and other public property, and

WHEREAS, SDG&E's proposed "Reliability Project" negatively impacts the quality of life for this community while its benefits principally accrue to other cities where the additional substation capacity should be more logically located.

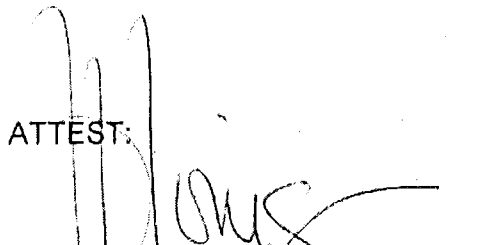
THEREFORE, BE IT RESOLVED, that the City Manager is directed to prepare and deliver a letter to SDG&E and the California Public Utilities Commission (CPUC) on behalf of the City and its residents expressing formal opposition to any upgrade or modification to the transmission lines that would have a measurable impact on nearby residences, schools, public open spaces, historic assets, and other public property unless corresponding mitigations are available to reduce the measurable impacts at or below corresponding levels of the existing transmission line, and

FURTHER, BE IT RESOLVED, that the City Manager is directed to monitor the future progress of SDG&E in its related CPUC filings and proceedings and ensure that the resolution of this Council is forwarded at each appropriate point until such time as this Council rescinds or replaces this resolution.

PASSED, APPROVED, AND ADOPTED this 21st day of February, 2012.


LARRY KRAMER, MAYOR

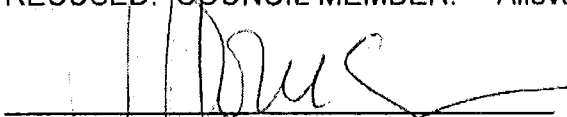
ATTEST:


MARIA MORRIS, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.
CITY OF SAN JUAN CAPISTRANO)

I, MARIA MORRIS, appointed City Clerk of the City of San Juan Capistrano, do hereby certify that the foregoing **Resolution No. 12-02-21-02** was duly adopted by the City Council of the City of San Juan Capistrano at a Regular meeting thereof, held the 21st day of February 2012, by the following vote:

AYES: COUNCIL MEMBERS: Freese, Reeve, Taylor and Mayor Kramer
NOES: COUNCIL MEMBER: None
ABSENT: COUNCIL MEMBER: None
RECUSED: COUNCIL MEMBER: Allevato


MARIA MORRIS, City Clerk

AGENDA REPORT

February 28, 2012

TO: Cultural Heritage Commission

FROM: Development Services Department

SUBJECT: Information Item, Inter-jurisdictional Project Review (IJPR) 12-01, San Diego Gas & Electric (SDG&E) South Orange County Reliability Enhancement Project (SDG&E Project Manager: Mary Turley)(City Project Manager: Grant Taylor, Development Services Director)

RECOMMENDATION:

By motion: receive and file.

SITUATION:

San Diego Gas & Electric (SDG&E) has notified the City that they are proceeding with planning for the proposed Reliability Enhancement Program project at the San Juan Capistrano Substation located at the northeast corner of Camino Capistrano and Calle Bonita (see Attachment 1, Project Location Map). The project proposes to demolish the existing 1920's substation building which fronts Camino Capistrano. That building is listed on the City's "Buildings of Distinction" List due to its historical significance (see Attachment 2, Board of Directors). The project proposes constructing two buildings up to fifty feet in height, installing a ten-foot tall, 360-foot long perimeter security wall, and replacing the existing utility towers with new, taller towers. The project also proposes to upgrade the existing 138 kilovolt (KV) power lines to 230 KV.

The potential loss of the historic substation building is a significant concern, as is the proposal to install large modern buildings and fencing that is not consistent with the historic character of San Juan Capistrano. SDG&E stated that they intend to submit their application for a Certificate of Public Convenience and Necessity (CPCN) to the California Public Utilities Commission (CPUC) in late April or early May, have conducted two public open house meetings, and have performed exploratory borings near the substation property.

On Tuesday, February 14, 2012, SDG&E representatives made a presentation to the Planning Commission on the proposed project (see Attachment 3, SDG&E PowerPoint Presentation to the Planning Commission).

Analysis and Discussion:

California State Law grants a substantial pre-emption to electrical utilities in the State such as SDG&E from local land use jurisdiction. The pre-emption allows electrical utility


providers such as SDG&E to plan and develop their projects without having to navigate the City's land use and zoning ordinances.

However, the City retains substantial legal rights under the California Environmental Quality Act (CEQA) to challenge the CPUC's environmental determination and SDG&E's project should the City Council ultimately conclude that the project's Environmental Impact Report (EIR) does not comply with all applicable provisions of CEQA.


SDG&E has stated that they plan to file their California Public Utilities Commission (CPUC) permit application in late April or possibly early May. At that time, more details on SDG&E's proposal will become public. As part of the CPUC's review and action on the permit application, the project will be required to comply with the provisions of the California Environmental Quality Act (CEQA). Given the proposed project's plan to demolish the historically significant sub-station structure which could not be mitigated to a less-than-significant level, the project will require the preparation of an Environmental Impact Report (EIR). SDG&E representatives have stated the CPUC will likely require an Environmental Impact Report (EIR) for the project and they would not oppose such a determination. The CEQA review process for this project presents the City with an important opportunity to assure that project impacts are fully identified and mitigated to the City's satisfaction. Further, as part of the CEQA review process, the EIR will identify and evaluate and the CPUC will be required to consider "project alternatives" including alternative site design or alternative sites. Both provide an opportunity to demonstrate how the project objectives could be met while preserving the existing substation building. Preservation of that structure should be an important City priority.

On Tuesday, February 21, 2012, the City Council took action to allow the Mayor to appoint an Aesthetics Team. The Aesthetics Team will consider all aspects of the project's design-related impacts which may include the proposed demolition of the historic substation building. More importantly, the City will have the opportunity to participate in the preparation of the EIR through the public scoping process and also review and comment on the Draft EIR. The CEQA process provides the City with important "leverage" in assuring the City's objectives are met, specifically historic and neighborhood preservation and public health.

Respectfully submitted:


Nick Taylor, Associate Planner
Secretary

Prepared by:


William A. Ramsey, AICP
Principal Planner

Attachments:

1. Project Location Map.
2. Buildings of Distinction.
3. SDG&E PowerPoint Presentation to the Planning Commission.