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WRITER'S EXT. 125

October 8, 2007

FILE NO. S0980-3410

VIA FACSIMILE/EMAIL/U.S. MAIL

Billie Blanchard, CPUC
 Lynda Kastoll, BLM
 c/o Aspen Environmental Group
 235 Montgomery Street, Suite 935
 San Francisco, California 94104-3002

Re: Comments on Modified Route D Alternative – Sunrise Powerlink

Dear Ms. Blanchard and Ms. Kastoll:

This letter is written on behalf of our client, SCC Acquisitions, LLC (SunCal), supplementing our June 14, 2007 correspondence with additional concerns relating to the Modified Route D Alternative and the Southern Alternatives to the proposed Sunrise Powerlink Project ("Powerlink Project").¹ The Modified Route D Alternative and all Southern Alignment Alternatives under consideration for the Powerlink Project include location of new transmissions lines near Jacumba and south of Interstate 8. The Modified Route D Alternative would be approximately 39 miles in length. Jurisdictions traversed by this alternative include the BLM, U.S. Forest Service, County of San Diego, the Cleveland National Forest and many private properties, including Ketchum Ranch, which land is controlled by SunCal.

As described in greater detail below, both the Modified Route D Alternative and the Southern Alternatives should be rejected in their entirety because they: (a) fail to achieve the basic project objectives and (b) fail to lessen the environmental impacts of the project as compared with the Preferred Alternative. Further, if the Modified Route D Alternative and the Southern Alternatives remain, the EIR scope is deficient in its failure to take into account both its impact on SunCal's Ketchum Ranch project and its failure to fully examine the potential impacts on San Diego County's mountain communities, including Jacumba, and surrounding open space.

¹ All of the concerns contained in this letter regarding the Modified Route D Alternative apply equally to all of the other proposed "Southern Alignment" alternatives (i.e. the I-8 Alternative, the BCD Alternative, and the West of Forest Alternative), because each have identical impacts on the Ketchum Ranch property. For that reason, all references to the Modified Route D Alternative should be deemed to include all other Southern Alternatives as well.

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On this basis, we urge the Commission to reject the Modified Route D Alternative and the Southern Alternatives because they fail to meet the fundamental requirements of CEQA. In the absence of such determination, the Commission must take into account the environmental impacts of the Powerlink Project under the Modified Route D Alternative and the Southern Alternatives on Jacumba, Ketchum Ranch and the surrounding mountain communities and open space.

SUNCAL AND THE KETCHUM RANCH PROJECT

As stated in our earlier letter, SunCal has a legal interest in the 1250-acre Ketchum Ranch property adjacent to and east of the existing Jacumba townsite. SunCal is proposing a master planned community on the Ketchum Ranch, consisting of 2,125 residential units, retail commercial development, an elementary school site, a public neighborhood park, a recreational area, dedicated open space, a wastewater treatment facility, flood control channels, agriculturally zoned land, and associated infrastructure necessary to support the project. An application for this Project has been filed with the County of San Diego and a Notice of Preparation has been circulated.² Accordingly, impacts to this community, which is the primary method by which the City of Jacumba will be revitalized, must be taken into account in considering the Modified Alternative D Route.

An existing SDG&E 200-foot Right-of-Way (“ROW”), with 500 kV powerlines and structures, already bisects the Ketchum Ranch property. The Ketchum Ranch preliminary project design and CEQA process take into account the existing 200-foot ROW. The Powerlink Project proposes increasing this ROW three-fold to 600 feet. Such an increase in the ROW width would force SunCal to abandon its existing design and could force it to abandon its project entirely. The Commission should consider this potential impact seriously, as the SunCal Ketchum Ranch project seeks to develop a community in an area which is otherwise constrained by topography and natural resources, and which will benefit economically from the SunCal Ketchum Ranch project. The EIR for the Powerlink Project should closely consider and analyze this impact on the SunCal Ketchum Ranch project. Moreover, the Commission and the EIR should consider and discuss the potential environmental impacts resulting from the “future

² The Ketchum Ranch submittal to the County of San Diego seeks approval of a General Plan Amendment, a Specific Plan, a Rezone, a Vesting Tentative Map, a Major Use Permit, a Site Plan, and an Administrative Permit to allow for the development of the master planned community, which is planned to be a state-of-the-art renewable resource community. On July 26, 2007, the County of San Diego, as the lead agency under CEQA, published a Notice of Preparation of an Environmental Impact Report (EIR) for the Ketchum Ranch project. (A copy of the Notice of Preparation documents are attached hereto as Exhibit 1.) The public comment period closed on August 24, 2007, and the County is presently drafting the EIR.

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phases" component of the proposed Powerlink Project, which will require potentially hundreds of miles of additional power lines.

Furthermore, a redesign of the Ketchum Ranch project would most certainly require SunCal to abandon the renewable resources component of its project. Currently, SunCal is considering implementation of a comprehensive renewable energy strategy at Ketchum Ranch, to include up to 4 MW of photovoltaic installations on homes and community facilities, conservation and load control measures, and the procurement of off-site renewable power. The feasibility of this strategy, however, is highly sensitive to the size and pricing of homes at Ketchum Ranch. The Modified Route D Alternative would have a negative impact on the proposed community. It may render the entire community at Ketchum Ranch infeasible; at a minimum, it will cast a cloud of uncertainty over the feasibility of any extraordinary renewable energy measures at Ketchum. This alternative would surely cause SunCal to abandon its renewable strategy at Ketchum, since it would be infeasible for SunCal to wait for the Commission's decision on the preferred route before finalizing the entitlements process at Ketchum. Given this, the EIR should pay special attention to the potential land use impacts of the Modified Route D Alignment, and should note the possibility that the Powerlink Project may cause, at a minimum, abandonment of a comprehensive renewable energy initiative, and at a maximum, may render the development of the Ketchum Ranch Project and the revitalization of the Jacumba community infeasible.

**MODIFIED ROUTE D ALTERNATIVE SHOULD BE REJECTED AS IT FAILS
TO MEET PROJECT OBJECTIVES AND INCREASES RATHER THAN
REDUCES IMPACTS OF THE POWERLINK PROJECT AS COMPARED TO
THE PREFERRED ALIGNMENT**

The Modified Route D Alternative should be rejected by the Commission prior to preparation of the EIR for the same reasons Alternatives B, C, and D were originally rejected—failure to meet most of the basic project objectives and simply transferring impacts from one area to another, failing to meet the requirement that alternatives reduce impacts. The Commission should not waste valuable resources or the time and dollars of the affected communities on alternatives that do not meet these basic CEQA requirements.

**A. THE MODIFIED ROUTE D ALTERNATIVE DOES NOT MEET BASIC
POWERLINK PROJECT OBJECTIVES**

According to SDG&E, Powerlink is needed for three reasons: (1) to maintain reliability; (2) to promote renewable energy; and (3) to reduce energy costs. (Application for Certificate of

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Public Convenience and Necessity, Part 1, pg 3.) CEQA requires that project alternatives "which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project" be evaluated. (Title 14, California Code of Regulations [hereinafter, "Guidelines"], § 15126.6(a).) Alternatives, however, may be eliminated from detailed consideration for "failure to meet most of the basic project objectives." (Guidelines, § 15126.6(c).) As described in detail below, the Modified Route D Alternative fails to meet each of these basic project objectives and should be rejected on this basis.

1. THE MODIFIED ROUTE D ALTERNATIVE DOES NOT INCREASE RELIABILITY

Much of Modified Route D Alternative traverses remote areas with limited access and dense vegetation. An increase in electrical transmission lines would increase the risk of wildfire in an area already prone to fire danger. The EIR should closely analyze the increased fire risks associated with construction and long-term maintenance of the Powerlink Project infrastructure. The Commission should also consider that given the high fire danger in the general area identified for the Southern Alignment, increases in energy reliability are speculative at best. For instance, the Commission should be aware that the corridor being considered for this Alternative is inherently unreliable, and that the existing transmission line in the corridor has experienced outages due to wildfire approximately 20 times in the past 15 years.

Furthermore, the proposed Powerlink Project is directly related to the Imperial Irrigation District's ("IID") Green Path Project pursuant to a Memorandum of Understanding entered into by SDG&E and IID. The Commission should consider the fact that the Modified Route D Alternative and the Southern Alternative alignments all appear inconsistent with the new 500 kV substation proposed to interconnect SDG&E with the Green Path. In order to minimize environmental and land use impacts to the region, the Powerlink Project should avoid any southern alignment because these alternatives are not consistent with IID's Green Path Project.

2. THE MODIFIED ROUTE D ALTERNATIVE DOES NOT PROMOTE RENEWABLE ENERGY

A 500 kV power line, the Southwest Powerlink, already exists along much of the Southern Alignment alternatives. The existing transmission facilities along the Southern Alignment are adequate for the exploitation of renewable resources along the corridor, and thus, adding a redundant 500 kV circuit in the same alignment would offer no incremental benefit in the development of renewable energy sources. The Preferred Alignment would, in contrast, open

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up new areas for the development of renewable resources along the alignment, most notably wind and solar generation.

The Commission should consider the positive impact the Preferred Alignment offers for renewable energy development, and should contrast that benefit with the small or nonexistent renewable energy benefits stemming from the construction of a redundant circuit in the Southern Alignment. The Commission also should consider that the renewable energy potential from the Imperial Valley, including geothermal generation from the Salton Sea area and the planned solar thermal generation from southern Imperial County, can be developed and used to a greater degree with the Preferred Alignment, by avoiding the unreliability resulting from redundancy with the existing Southwest Powerlink system, as discussed above. The Preferred Alignment proposed by SDG&E diverges from the existing alignment beginning at the Imperial Valley substation providing two separate 500 kV corridors, as well as easy access to the Imperial Valley's renewable energy resources.

B. THE MODIFIED ROUTE D ALTERNATIVE DOES NOT REDUCE ENERGY COSTS

The California ISO published its study entitled "Findings and Recommendations on the Sun Path Project"³ dated July 28, 2006. It is important for the Commission to take into account the fact that the assessment made by the ISO under the California Renewable Portfolios Standard (RPS) confirms that the "Sun Path Project enables SDG&E and other California utilities to comply with the state's mandated RPS requirements by accessing planned renewable resources in the Salton Sea and other areas in the Imperial County without curbing economic imports into California." (Page 19.)

The CAISO study also concluded that "the proposed alternatives to the Sun Path Project evaluated do not provide comparable increase in import capability or anticipated long-term benefits as the Sun Path Project. Other transmission alternatives evaluated by SDG&E were either more expensive, did not meet reliability criteria or did not provide access to proposed new renewable generation in the Salton Sea or Imperial Valley." (Page 49.)

The California ISO staff recommended that its Board of Governors approve the Sun Path transmission project as a necessary and cost-effective upgrade to the CAISO Controlled Grid that

³ The Sun Path Project is identified in the document as a "Combination of Sunrise Powerlink Project sponsored by San Diego Gas and Electric Company (SDG&E) and Phase 2 of Green Path Project sponsored by Citizens Energy and Imperial Irrigation District (IID) connecting Imperial Valley to San Diego area." (Page 2.)

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will also facilitate compliance with California's renewable energy purchase requirements and direct SDG&E Citizens Energy to proceed with the permitting and construction of the transmission project. This recommendation was passed and approved by a 5-0 vote of the Board of Governors on August 3, 2006.

The action by the CAISO Board of Governors confirms that none of the alternatives studied by SDG&E for the Powerlink Project (which is a component of the Sun Path Project) reduced energy costs as does the Preferred Project which SDG&E proposes to secure cost-efficient, reliable, renewable energy generation.

C. THE PROPOSED ALIGNMENTS DO NOT REDUCE IMPACTS OF THE PREFERRED ALIGNMENT AND DO NOT MEET CEQA ALTERNATIVES REQUIREMENTS

One of the fundamental tenets of CEQA is that an EIR should examine feasible alternatives that reduce significant impacts.⁴ The Modified D Alternative and the Southern Alternatives fail to meet this simple test. In fact, these Alternatives increase impacts as compared to the Preferred Alternative. As a result, they should be rejected by the Commission as they fail to meet the requirements of CEQA for alternatives consideration.

The Proponent's Environmental Assessment ("PEA") eliminated Routes B, C and D because these routes "would simply transfer impacts from one area to another without reducing significant impacts." (PEA, p. 3-8.) Unfortunately, the Modified Route D Alternative fails to improve on the original route for a variety of reasons. The Commission should consider that the Modified Route D Alternative remains substantially longer than the Preferred Alignment, thus inherently creating more environmental and land use impacts. In addition, much of the Modified Route D Corridor remains in the Jacumba Wilderness Area along the existing Southwest Powerlink ("SWPL") transmission line. (PEA, p 3-18.) Unlike within the Anza Borrego State

⁴ "The Legislature finds and declares that it is the policy of the state that public agencies should not approve projects as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant environmental effects of such projects, and that the procedures required by this division are intended to assist public agencies in systematically identifying both the significant effects of proposed projects and the feasible alternatives or feasible mitigation measures which will avoid or substantially lessen such significant effects." (California Public Resources Code Section 21002.) Also, "Because an EIR must identify ways to mitigate or avoid the significant effects that a project may have on the environment (Public Resources Code Section 21002.1), the discussion on alternatives shall focus on alternatives to the project or its location which are capable of avoiding or substantially lessening any significant effects of the project, even if these alternatives would impede to some degree the attainment of the project objectives, or would be more costly." (Guidelines, Section 15126.6(b).)

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Park, motorized equipment, road construction and transmission line construction are not permitted within a Wilderness Area. (*See* Federal Lands Policy Act.) Moreover, the Commission should seriously consider the Modified Route D Alternative's impacts relating to crossing of Scenic and Cultural Trails, impacts to residential lands, and extensive impacts to the Cleveland National Forest, Indian Land and Essential Habitat. (PEA, p. 3-19.) Finally, the Commission should take into account the impacts to SunCal's Ketchum Ranch Project and Jacumba and surrounding communities as described above.

For the reasons described above, the Commission should reject the Modified Route D and Southern Alignments as it did the Route B, C and D Alignments.

ENVIRONMENTAL IMPACTS OF THE ALTERNATIVE ALIGNMENTS

If the Modified Route D Alignment is not rejected, the EIR must consider the full impacts of the Powerlink Project on the physical environment, including economic and environmental justice impacts. Some key considerations are detailed below.

1. Biological Resources

The EIR should carefully consider how construction of the Powerlink Project could disturb a number of sensitive biological resources which are found along the route of the Alternative alignments including wetlands, riparian forests, oak woodland, and chaparral. In addition to diminishing the extent and value of these vegetation communities, the loss of these communities could negatively impact a number of sensitive plant and animal species which rely on these habitats.

2. Land Uses

The Modified Route D Alternative would traverse through many private rural properties within the East County communities of Alpine, Barrett Junction, Boulevard, Campo, Descanso, Jacumba, Japatul, Lake Morena, La Posta, Live Oak Springs, and Potrero. The Interstate-8 Alternative would also traverse all of these communities, plus the communities of Guatay, Lakeside, and Pine Valley. It would traverse vast expanses of open space areas, numerous residential properties and portions of the Cleveland National Forest. In considering the Powerlink Project, the Commission should take into account the potential impacts on these communities, including but not limited to decreased land values, aesthetic and safety impacts, and conflicting land uses.

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The EIR should also consider other short-term and long-term impacts on surrounding land uses. For instance, short-term construction impacts such as temporary noise, traffic and dust impacts are likely to result. In the long-term, nearby residences would experience increased noise levels associated with the transmission line operation, as well as possible air quality and aesthetic impacts and increased fire danger resulting from line maintenance and operation. The EIR should take into account all of these potential effects on the existing and proposed land uses surrounding the Powerlink Project.

3. Fire Risk

While the Modified Route D Alternative would avoid areas of highest fire risk, areas of moderate to high fire risk still would be traversed by this alternative, and the Interstate-8 Alternative overall would traverse through areas of high fire risk. Under all alternatives, the SunCal Ketchum Ranch project would be subject to increased fire risk relating to construction and long-term maintenance of the power lines. The EIR should analyze potential impacts on surrounding land uses and communities, including the SunCal Ketchum Ranch project.

4. Aesthetic Impacts

The Modified Route D Alternative will have significant aesthetic impacts compounding those already encountered along the corridor of the existing 500 kV line as it passes directly through Jacumba and the SunCal Ketchum Ranch project. The total 600-foot right-of-way with large pole structures and a second set of power lines imposing on homes and backyards will seriously degrade the integrity of the community.

5. Energy Reliability

Since the Modified Route D Alternative would put the Sunrise and Southwest Powerlinks in the same corridor for a significant distance, it would magnify the risk of an N-2 event, making San Diego's energy supply more vulnerable to interruption from a terrorist act or natural disaster such as wildfires or earthquakes.

6. Public Health and Safety

The issue of electromagnetic fields (EMFs) is a topic of concern. While debate remains regarding impacts relating to EMF, there is a body of evidence available to suggest that transmission lines can cause adverse effects to public health and safety. The Commission and the EIR should consider this potential impact since the Modified Route D Alternative, and the Interstate-8 Alternative, would traverse through many urbanized areas, and thus would expose

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nearby residents to EMF. The EIR should also consider that in those areas where the alternatives parallel the Southwest Powerlink (SWPL), exposure would be further increased.

7. Environmental Justice

The Modified Route D Alternative will have an equal, if not greater, impact on the environment when compared to the Preferred Alternative. Therefore, the Commission should question the equity of considering a route location which will traverse inhabited mountain communities of San Diego County. Due to scarcity of natural resources and topographical constraints, many of these communities exist in an underdeveloped condition with little economic incentive or potential for growth. The SunCal Ketchum Ranch project will revitalize some of these communities, but the Modified Route D Alternative and other alternative routes could force SunCal to abandon its project.

The Social Equity and Environmental Justice chapter of the San Diego Association of Governments 2004 Regional Comprehensive Plan includes as one of its goals the following: "Locate energy facilities, such as power plants and/or transmission lines, so that lower income and minority communities are not disproportionately negatively affected." This goal has relevance in Jacumba, for example, a community which thrived before economic problems developed when the Interstate 8 Freeway rerouted traffic away from the town, creating a visual barrier as well. That barrier will be exacerbated by the addition of a second 500 kV line across Ketchum Ranch. The proposed Ketchum Ranch project provides the Jacumba community with the opportunity for economic revitalization and the solution for long-standing physical problems such as flooding. The EIR should take into account the potential economic impacts of the Powerlink Project on this community.

8. Environmental Rationalization

Although CEQA requires that an EIR analyze, consider and discuss alternatives to a proposed project, there is no requirement that alternatives be chosen when the proposed project has limited impacts and/or can be mitigated. Here, the Preferred Alignment will have equal or less impacts on the environment and surrounding land uses than the Modified Route D Alignment.

CONCLUSION

The Commission's responsibility in considering any proposed power project is protection of the public interest and the enhancement of the system as a whole for the public benefit. The B, C and D routes were rejected by SDG&E because of "the technical, regulatory and legal

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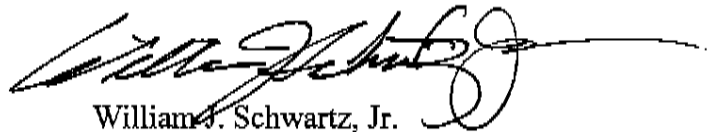
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hurdles identified above as well as the inability to substantially reduce significant impacts compared to the Proposed Project.” (PEA, pg. 3-20.) None of these hurdles have been resolved by Modified Route D or the other Southern Alternative alignments under consideration. We urge for all of the reasons discussed above that the Commission either remove Modified Route D and the other Southern Alignments from consideration or conduct the required CEQA review detailed above regarding the reliability, economic and environmental merits of the Preferred Alignment versus the alternative alignments.

Very truly yours,

A handwritten signature in black ink, appearing to read "William J. Schwartz, Jr.", with a long, sweeping horizontal flourish extending to the right.

William J. Schwartz, Jr.

WJS:mam

cc: SCC Acquisitions, LLC

Attachment

EXHIBIT 1

NOTICE OF PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT

July 26, 2007

NOTICE IS HEREBY GIVEN that the County of San Diego, Department of Planning and Land Use will be the Lead Agency and will prepare an Environmental Impact Report in accordance with the California Environmental Quality Act for the following projects. The Department is seeking public and agency input on the scope and content of the environmental information to be contained in the Environmental Impact Report. A Notice of Preparation document, which contains a description of the probable environmental effects of the project, can be reviewed on the World Wide Web at http://www.sdcounty.ca.gov/dplu/ceqa_public_review.html, at the Department of Planning and Land Use (DPLU), Project Processing Counter, 5201 Ruffin Road, Suite B, San Diego, California 92123 and at the public libraries listed below. Comments on the Notice of Preparation document must be sent to the DPLU address listed above and should reference the project number and name.

GPA 06-014, SP 06-003, R06-019, TM 5524, P06-099, S06-055, AD 06-069, ENVIRONMENTAL LOG NO. 06-14-055; KETCHUM RANCH. The project seeks a General Plan Amendment, a Specific Plan, a Rezone, a Vesting Tentative Map, a Major Use Permit, a Site Plan, and an Administrative Permit to allow for the development of a master planned community on a 1,250-acre site adjacent to the Town of Jacumba. The project proposes a maximum of 2,125 residential units, retail commercial development, agriculturally zoned land, an elementary school site, a public neighborhood park, a recreational area, dedicated open space, a sewer treatment facility, flood control channels, and associated infrastructure necessary to support the project. The project is located between Interstate 8 and Old Highway 80, immediately east of the Town of Jacumba and north of the Mexican Border, in the Mountain Empire Community Planning area in unincorporated San Diego County. Comments on this Notice of Preparation document must be received no later than August 24, 2007 at 4:00 p.m. (a 30-day public review period). This Notice of Preparation can also be reviewed at the Jacumba Branch Library, located at 44605 Old Hwy. 80 Jacumba, CA 91934. **A Public Scoping Meeting will be held on August 16, 2007 from 6:00 to 8:00 p.m. at the Jacumba Highland Senior Center, 44681 Old Highway 80, Jacumba, CA 91934.** For additional information, please contact Richard Grunow at (858) 694-3010 or by e-mail at richard.grunow@sdcounty.ca.gov.

ND07-07\0614055-NOT;jcr

NOTICE OF PREPARATION DOCUMENTATION

DATE: July 26, 2007

PROJECT NAME: Ketchum Ranch

PROJECT NUMBER(S): GPA 06-014, SP 06-003, R06-019, TM 5524, P06-099, S06-055, AD 06-069

PROJECT APPLICANT: Michael McGovern, Suncal Companies

ENV. REVIEW NUMBER: 06-14-055

PROJECT DESCRIPTION:

The project is an application for a General Plan Amendment, a Specific Plan, a Rezone, a Vesting Tentative Map, a Major Use Permit, a Site Plan, and an Administrative Permit to allow for the development of a master planned community on an approximately 1,250-acre site adjacent to the Town of Jacumba. The project proposes a maximum of 2,125 residential units, retail commercial development, agriculturally zoned land, an elementary school site, a public neighborhood park, a recreational center, dedicated open space, a sewer treatment facility, flood control channels, and associated infrastructure and utilities necessary to support the project.

The project proposes single-family residential lots ranging in size from 4,200 to 27,000 square feet. The project would designate approximately 28 acres for multi-family residential development that would include approximately 250 dwelling units. The overall residential density proposed by the project is 1.7 dwelling units per acre.

The project proposes to situate three commercial planning areas within the northern portion of the site immediately south of Interstate 8 and adjacent to the multi-family designated areas.

A Water Reclamation Plant (WRP) to process wastewater generated by the Project is proposed to be constructed on an approximate 2.7-acre site located on the east side of Street Carrizo Gorge Road. The WRP would treat and store the wastewater generated by the Project. All wastewater treated at the WRP is proposed to be reclaimed and reused for irrigating the park, common open space areas and landscaping within the

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development. The WRP would be supported by a Wet Weather Storage pond located near the plant, providing approximately 15 days of wet weather storage. The pond will be used to store treated effluent during periods of wet weather when there is limited or no demand for irrigated water. The project would also construct water reservoir tanks and associated facilities and pipelines. A segment of Carrizo Gorge Road would be realigned as part of the project.

Approximately 20.5-acres of the site are proposed to support public facilities which would serve both the existing and proposed communities, including a 10-acre elementary school site, a health clinic (located within the commercially designated area), and a 10.5-acre site which could accommodate a fire station, sheriff's substation, emergency services, and/or border patrol.

Flood control channels would be developed to confine flood waters through undeveloped portions of the project. The three channels would bisect the project from east to west between Carrizo Gorge Road and the San Diego and Arizona Eastern Railroad line, along the northerly edge of town; then they and from the south (Mexico). All three channels converge with a more expansive north-south flood channel which would convey stormwater flows off site to the north and into broad, natural floodplains.

The project would provide approximately 27-acres of public park spaces, including a recreation center, a neighborhood park, and pocket parks. The project also has incorporated trails and non-vehicular linkages to provide recreational opportunities and pedestrian and cycling links through the development.

Approximately 294 acres of the project site which are constrained by steep topography, support significant biological or cultural resources, and/or which are prone to flooding are proposed to be conserved as permanent open space. The southernmost 55-acres of the project site located south of Old Highway 80 are proposed to be retained for agricultural uses. Approximately 1,500,000 cubic yards of grading would be required to develop the site, with a balance of cut and fill.

The site is zoned S88 and is designated as (21) Specific Plan Area by the Mountain Empire Subregional Plan. The southerly portion of the site is located within the Country Town Regional Land Use Category with an overall density of 1.7 dwelling units per acre. The northern portion of the site has no density assigned and is located within the Rural Development Area Regional Land Use Category. The entire project site is zoned S88 (Specific Plan).

A portion of the subject property is currently used for agricultural purposes. A ranch house complex exists near the site's southern perimeter and an existing but inactive rock quarry is located along the northern portion of the property. The San Diego and Arizona Eastern Railroad line traverses through the site in a north-south direction along the western boundary of the site. A San Diego Gas and Electric (SDG&E) overhead transmission line also runs east to west through the approximate center of the property.

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The applicants have met with County Staff on 3 different occasions to decide on the land plan, circulation patterns and connectivity to the existing town. This mutually coordinated effort defined the agreed upon land plan before the extensive environmental review process. The vision of the project is a master-planned community that involves reconnecting the town to Interstate 8, solving flooding problems and improving services for the Jacumba area.

PROJECT LOCATION:

The project site is located between Interstate 8 and Old Highway 80, immediately east of the Town of Jacumba and north of the Mexican Border, in the Mountain Empire Community Planning Area in unincorporated San Diego County. APNs 614-100-20, 21; 614-110-04; 660-150-04, 07, 08, 10, 14, 17, 18; 660-020-05, 06; 661-010-15, 26, 27, 30; 661-060-12, 22.

PROBABLE ENVIRONMENTAL EFFECTS:

The probable environmental effects associated with the project are detailed in the attached Environmental Initial Study. All questions answered "Potentially Significant Impact" or "Less than Significant with Mitigation Incorporated" will be analyzed further in the Environmental Impact Report. All questions answered "Less than Significant Impact" or "Not Applicable" will not be analyzed further in the Environmental Impact Report.

The following is a summary of the subject areas to be analyzed in the EIR and the particular issues of concern:

Aesthetics/Visual Resources:

The project site contributes to the natural visual landscape from vantage points along Carrizo Gorge Road to the north and east and Old Highway 80 to the south. The proposed project is located near and is visible within the composite viewshed of Interstate 8, a designated third Priority Scenic Route per the Scenic Highway Element of the General Plan, which has the goal of creating a network of scenic highway corridors and protecting and enhancing scenic, historical, and recreational resources in those corridors. The visual environment from Interstate 8 includes the northern portion of the project site and extends to Mexico to the south featuring highly scenic mountains, hilltops, and rock outcroppings to the north, east, and west. Of particular scenic prominence is Round Mountain, which lies south of Interstate 8 and west of the project site.

Agricultural Resources:

The project site has been mapped by the State Farmland Mapping and Monitoring Program (FMMP) as Farmland of Statewide Importance and Prime Farmlands. As a result, the proposed project was reviewed by the Department of Planning and Land Use

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Agricultural Specialist who determined that the project site possessed lands which meet the soil quality criteria of Prime Agricultural Land and that the project therefore had the potential to significantly affect important agricultural resources.

Air Quality:

The project would add approximately 41,500 average daily trips (ADT) to local roadways and would grade approximately 1,500,000 cubic yards of soil. Emissions generated from short term use of construction equipment and the long-term increase in automobile usage resulting from project implementation could result in significant impacts to air quality.

Biological Resources:

The project site has the potential to support 19 native habitat communities which have the potential to support endangered, threatened, or rare plant or animal species. Additionally, the site has existing drainages and riparian habitats that may be considered jurisdictional waters under Sections 401 and 404 of the Clean Water Act, Sections 1600 et seq. of the California Fish and Game Code, and the County of San Diego Resource Protection Ordinance.

Cultural Resources:

Based on an analysis of records and previous historic and cultural resource surveys and evaluations within the project site, it has been determined that there are one or more historical and cultural resources within the boundaries of the project. Previous record searches and surveys have indicated that as many as 23 archaeological sites and 3 historic sites are located within the project boundaries.

Geology/Soils:

The project site is located within an area that has substantial evidence of known faults. The site is located within a down-dropped fault block and is bound by faults to the east and west. Although no active faults have been mapped on the property, hot springs are present in the project vicinity, which are often indicative of active seismic areas. The project also involves grading of approximately 1,500,000 cubic yards of soil. The majority of the site is underlain by up to 100-feet of alluvial soils and much of the project site is prone to flooding.

Hazards and Hazardous Materials:

The proposed project site is located in a potentially hazardous wildland fire area and involves the creation of wide flood control channels and a wastewater treatment retention pond that could allow water to stand for a period of 72 hours (3 days) or more and result in an increased presence of vectors.

Hydrology/Drainage/Water Quality:

The project will develop approximately 1,250 acres of undeveloped land with a master planned community consisting of 2,125 dwelling units, commercial uses, public facilities, a wastewater treatment plant, parks, and agricultural uses. Site development and the

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resultant increase in impermeable surfaces could result in downstream sedimentation, increased runoff velocities, and adverse affects on the site's existing drainage courses. Additionally, the site is located within an area prone to flooding.

Groundwater:

The project proposes to rely on an aquifer located beneath the project site to supply potable water to the development. A groundwater analysis shall be included in the EIR to evaluate compliance with County of San Diego's Groundwater Ordinance and to determine if there is adequate groundwater to provide a long-term water supply to the project.

Mineral Resources:

The lands within the project site do not have a Mineral Land Classification from the California Department of Conservation – Division of Mines and Geology (Update of Mineral Land Classification: Aggregate Materials in the Western San Diego Production-Consumption Region, 1997); but the site is underlain largely by Quaternary alluvium and the site also has been mined in the past. The site likely has a large amount of sand and gravel that can easily be mined and processed for construction materials from this geologic environment.

Noise:

The area surrounding the project site is occupied by an active railway, borders Interstate 8, and is adjacent to an airport used by light aircraft. The project may expose people to potentially significant noise levels that exceed the allowable limits of the County of San Diego General Plan, County of San Diego Noise Ordinance, and other applicable standards. The project could also generate heightened noise levels through increases in traffic and facility activities.

Population, Housing, and Growth Inducement:

The project proposes a large scale residential development that would include a maximum of 2,125 dwelling units and public facilities and utilities necessary to support the increased population. The project would construct a wastewater treatment plant and develop a water delivery system to serve the planned community. Facilities and associated pipelines are planned to be sized to also potentially accommodate existing residents of Jacumba. The project will therefore induce substantial growth in the area.

Public Services/Utilities:

The project would result in the need for new and/or expanded fire, police, school, and solid waste facilities to ensure adequate services are available for the increased population generated by the proposed master planned community. The project would also construct new water, wastewater, and storm drain facilities.

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Transportation/Traffic:

The project is anticipated to generate approximately 41,500 average daily trips (ADT) to local roadways. The additional traffic produced by the project could have a significant direct impact on traffic volumes, roadway capacities, congestion at intersections and exceedance of Level of Service (LOS) standards established by the County of San Diego congestion management agency.

Additionally, the following detailed environmental technical studies must also be completed and integrated into the draft EIR:

Preliminary Hydrology/Drainage Study
Stormwater Management Plan
Preliminary Grading Plan
Conceptual Landscape Plan
Traffic Impact Analysis
Noise Analysis
Cultural Resources Report
Air Quality Analysis
Biological Resources Report
Geotechnical Study
Groundwater Analysis
Fire Protection Plan
Phase I Site Assessment
Agricultural Resources Report

Attachments:

- Project Regional Location Map
- Project Detailed Location Map
- Plot Plan Exhibit
- Environmental Initial Study

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