



0000091192

RECEIVED

BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER,
CHAIRMAN
JIM IRVIN,
COMMISSIONER
WILLIAM A. MUNDELL,
COMMISSIONER
JEFF HATCH-MILLER,
COMMISSIONER
MIKE GLEASON,
COMMISSIONER

Arizona Corporation Commission

ARIZONA CORP COMMISSION
DOCUMENT CONTROL

DOCKETED

SEP 22 2003

DOCKETED BY *CR*

IN THE MATTER OF THE APPLICATION
OF SALT RIVER PROJECT
AGRICULTURAL IMPROVEMENT AND
POWER DISTRICT IN CONFORMANCE
WITH THE REQUIREMENTS OF
ARIZONA REVISED STATUTES
SECTIONS 40-360-03 AND 40-360.06, FOR
A CERTIFICATE
OF ENVIRONMENTAL COMPATIBILITY
AUTHORIZING THE EXPANSION OF ITS
SANTAN GENERATING STATION,
LOCATED AT THE INTERSECTION OF
WARNER ROAD AND VAL VISTA
DRIVE, IN GILBERT, ARIZONA.

No. L-00000B-00-0105

**SRP RESPONSE TO INTERVENOR
PARRAULT'S EMERGENCY
MOTION AND REQUEST FOR
HEARING**

The Salt River Project Agricultural Improvement and Power District ("SRP") hereby submits its response to Intervenor Parrault's Emergency Motion and Request for Hearing to Enforce the Terms of the CEC Order and Condition ("Emergency Motion"). For the reasons set forth below, SRP requests that the Commission deny the Emergency Motion.

Preliminary Statement

The primary basis of the Emergency Motion is the allegation that SRP has not met the required schedule for landscaping and screening at the Santan Site. But, the Emergency Motion does not consider the conditions in context with the other conditions of the order. As

1 summarized here, and discussed more fully below, when the conditions are viewed in context,
2 SRP is in full compliance:

3 a. Substantial screening and improvements are completed. These include the major
4 obligations of building 25-foot berms along the north and west sides of the property, building a
5 10-foot screening wall, removing the large fuel storage tanks, engineering and preparing the site
6 to allow for the construction of the major facilities below grade, improving Warner and Val Vista
7 Roads, relocation of the gas metering station, construction of the pedestrian bridge, installation
8 of vegetation along the RS 18 transmission line corridor, preparatory work on the trail system,
9 rerouting SRP's canal at Ray Road and funding offsite improvements. All trees were purchased
10 a year ago, but not yet installed for reasons discussed below.
11

12 b. A prerequisite to the landscaping work was compliance with the requirement that
13 the Community Working Group ("CWG") develop and approve all landscaping plans and
14 designs. The work of the CWG was very extensive and lasted approximately eighteen months.
15 It would have been a violation of the CEC requirements for SRP to have proceeded without
16 completing this step. Given the duration of the CWG's work, the landscaping is on schedule.
17

18 c. The project contemplated that the dirt that was excavated for the new holding
19 pond and the below grade installation of the turbines and heat recovery steam generators would
20 be used to construct the berms that would visually shield the site. Given a logical schedule, the
21 berms were constructed in the proper course of the project.

22 d. The landscaping associated with the Warner Road improvements could not begin
23 until the Town of Gilbert approved plans and finished the widening of Warner Road. Although
24 the parties initially expected this to be completed by the summer of 2002, construction on
25
26

1 Warner Road and Val Vista Road was not completed until July 2003. Given this constraint, the
2 landscaping of the south side of Warner Road is on schedule.

3 The Emergency Motion also alleges that SRP has failed to “maximize the positive effect
4 of its activities on the values of the homes in the surrounding communities.” As discussed
5 below, SRP has met or exceeded the requirements of the CEC to provide benefits to the
6 Community and to the surrounding homeowners. For ease of reference, SRP has attached a
7 timeline of the major mitigation activities as Exhibit “A”.

8 Additionally, SRP has kept the ACC informed of the status of SRP’s compliance with all
9 conditions of the Santan CEC (including landscaping) through its voluntary quarterly compliance
10 filings, initiated in January 2002 by SRP. A summary of the parts of these reports relevant to the
11 Emergency Motion is attached as Exhibit “B”.

12 Discussion

13 **I. SRP is in compliance with the CEC landscaping conditions.**

14 *a. Substantial visual screening and mitigation have been completed or are near completion.*

15 In issuing the CEC, the Commission required that SRP engage in a comprehensive visual
16 mitigation and site improvement program, working in conjunction with the community and with
17 the Town of Gilbert. Following the directives of the CEC and its agreement with the Town of
18 Gilbert, SRP has already completed approximately 70 percent of the total mitigation (determined
19 on a cost basis).

20 Specifically, SRP has completed or is near completion on these major items:

21 Preparation of the site to install facilities 15 feet below grade.

22 Removal of the three fuel tanks.

23 Removal of the lattice training tower.

1 Purchase of approximately 1200 trees for onsite planting.

2 Rerouting of the SRP canal along Ray Road.

3 Cooperation with the Town of Gilbert to improve Warner and Val Vista Roads.

4 Design and installation of a 2000-foot long, 10-foot wall near the East boundary
5 of the site.

6 Design and installation of a 25-foot berm along the north and west boundaries.

7 Relocation of the gas metering station.

8 With the CWG, development of final landscaping plans.

9 Construction of the pedestrian bridge.

10 Construction of the gabion and terrace walls.

11 Installation of vegetation along the RS 18 transmission line corridor.

12 Provision of offsite improvement funds to Homeowners Associations (HOAs) and
13 county island residents near the plant.

14 Retention of existing vegetation and trees, including pruning and trimming.

15
16 In addition, work is ongoing on the following items:

17
18
19 Installation of the irrigation system.

20 Construction of an 8-foot wall for the residences along Wanda Drive.

21 Finishing the grading and shaping of the berms.

22 Preparatory work for the trail system along the west boundary.

23 Construction of stone veneer retaining walls.
24
25
26

1 b. *Given the duration of the CWG's approval process, the remaining landscape work is on*
2 *schedule.*

3 The major basis of the Emergency Motion is the provisions of Condition 9 to the CEC,
4 which provides:

5 Applicant shall, *where reasonable to do so*, plant onsite trees by the Fall of 2001.
6 Because planting of trees must await the improvement of Warner Road and the design
7 and construction of berms, this condition will largely apply to trees on the East side of the
8 site, and some of the trees on the North side. All landscaping will be installed prior to the
9 installation of major plant equipment such as, but not limited to, exhaust stacks,
 combustion turbines, and heat recovery steam generators, *except where delays are*
 reasonably necessary to facilitate construction activities.

10 Note the italicized modifying language in the condition. This language was added by the
11 Committee and approved by the Commission to provide flexibility in coordinating with other
12 conditions and construction.

13 One of these other conditions was Condition 7 of the CEC. Condition 7 is critical
14 because it must be completed before Condition 9 can be implemented. Since the CWG took
15 longer than anticipated to develop and approve the required landscaping plan, SRP was unable to
16 move forward with the installation of the landscaping required by Condition 9. This Condition
17 required that SRP form a Landscape and Mitigation Community Working Group ("CWG") to
18 refine the landscaping and mitigation concept plans submitted during the hearing. Specifically
19 Condition 7 provides, in relevant part:

20 With respect to landscaping and screening measures, including the improvements
21 listed in the IGA, Applicant agrees to develop and implement a public process
22 consistent with the process chart (Exhibit 89) presented during the hearings,
23 modifying the dates in the IGA with the Town of Gilbert, if necessary, to
24 correspond with the schedule in Exhibit 89.

25 The new Community Working Group (CWG) will consist of 12 members,
26 selected as follows: one member selected by the Town of Gilbert, four members
 selected by neighborhood homeowner associations, four representatives selected

1 by intervenors, and three members selected by SRP (not part of the
2 aforementioned groups) who were part of the original community working group.
3 Applicant and landscaping consultants shall act as advisors to the CWG. CWG
4 meetings shall be noticed to and be open to the general public. The initial
5 meeting shall take place on an evening or weekend in the Town of Gilbert.

6 The objective of the CWG shall be to refine the landscaping and mitigation
7 concept plans submitted during these hearings (Exhibit 88). The CWG shall work
8 to achieve appropriate visual mitigation of plant facilities and to facilitate the
9 design and installation of the concept plan components so as to maximize the
10 positive impact on the community and to increase, wherever possible, the values
11 of the homes in the neighboring areas. The refinement of the mitigation plans
12 shall be reasonably consistent with the planning criteria of the Town of Gilbert,
13 the desires of neighboring homeowner associations, and the reasonable needs of
14 Applicant.

15 Applicant shall retain an independent facilitator, acceptable to the CWG, to
16 conduct the CWG meetings. It shall be the role of the facilitator to assist in initial
17 education and in conducting an orderly and productive process. The facilitator
18 may, if necessary, employ dispute resolution mechanisms.

19 At the time of the CEC, SRP and the Siting Committee believed the work of the CWG
20 could be completed by October 2001. The CWG was formed shortly after the CEC was
21 approved in May 2001 and the first meeting of the CWG was held on June 2, 2001. At the July
22 7, 2001 meeting the CWG agreed to complete its on-site landscaping plans by October 21, 2001.
23 However, because of the importance and magnitude of the task, the CWG was not able to
24 complete its work until December 2002. The CWG was reminded about the timeline at a
25 number of meetings. Nonetheless, the CWG met 25 times over the course of 18 months.

26 Once the details of the landscape plan were approved by the CWG, SRP purchased 1200
trees from Western Tree Company (May 2002). Western Tree Company is caring for all of the
trees at its nursery. The early acquisition of the trees has allowed them additional time to grow
prior to planting at the site. Once these trees are planted on site, because of their larger size, they
will immediately provide for more effective mitigation. At the CWG's final meeting on
December 9, 2002, the group approved the landscape architect's preliminary construction

1 documents. As soon as SRP obtained the Town of Gilbert's approval of the completed drawings,
2 SRP proceeded with issuing an RFP for the landscape work.

3 On May 29, 2003 SRP awarded the landscaping contract to Evergreen Lawn Sprinklers
4 and, in June 2003, landscape construction began.

5 Currently, the landscape contractor is setting the irrigation system in place. The
6 landscape contractor plans to begin placing trees on the berms by the end of October 2003. SRP
7 expects that all trees should be planted on the berms by the first quarter of 2004.

8 *c. Trees could not be planted until the berm construction was completed.*

9
10 Trees could not be planted until the construction of the berms was complete and other
11 landscaping infrastructure, such as the landscape irrigation system, was in place.

12 The construction of the berms was part of a rational construction sequence. Initially, the
13 dirt for the berms came from the dirt excavated to form the new retention pond. The dirt from
14 the retention pond was used to form the first 15 feet of the berm. This construction activity
15 occurred from August 2002 through September 2002. The top 10 feet of the berm was obtained
16 from dirt excavated to form the 15-foot HRSG pit. This process extended from November 2002
17 to April 2003 as completion of the HRSG pit excavation could not be completed until SRP
18 received its air quality permit. The air quality permit was approved on February 10, 2003.

19
20 The berms were completed in April 2003. The only other option available to SRP to
21 construct the berms would have been to haul in new dirt to construct the berms rather than using
22 dirt from the construction site. SRP believed this second option to be imprudent and
23 unacceptable to the neighboring community, as it would have required an estimated 18,000 to
24 25,000 truckloads each carrying 10 to 12 cubic yards of dirt to be trucked into the site to
25
26

1 construct the berms. The same approximate number of truckloads would have then been
2 necessary, later in the construction process, to haul off the dirt excavated from the HRSG pit.

3 *d. SRP is in compliance regarding the landscaping along Warner Road, given its obligation*
4 *to cooperate with the schedule of the Town of Gilbert.*

5 The Emergency Motion also raises an issue of compliance with Condition 28 of the CEC.

6 This condition provides:

7 Applicant will comply with the provisions of the Intergovernmental Agreement dated
8 April 25, 2000 between Applicant and the Town of Gilbert, as modified pursuant to this
9 Certificate.

9 The IGA, referenced in Condition 28, contains the following SRP obligations, among others:

10 1.1 Improvements to Warner Road and Val Vista Road: SRP shall, at its cost,
11 improve or pay the cost of improving the portion of Warner Road and Val Vista Road
12 adjacent to the Plant property boundary. Improvements shall include, but not be limited
13 to, (i) improving the south half of Warner Road and the east half of Val Vista Road,
14 including the construction of sidewalks, a median, and street lighting facilities, and (ii)
15 installation of landscaping on the north side of Warner Road. All such improvements
16 shall comply with Town standards and the Town shall maintain all landscaping
17 improvements not located on Plant property. As part of such improvements, SRP shall
18 pay the cost of relocating the existing 69 kV line and other electrical facilities as
19 relocation may be required by the construction of the improvements.

16 1.2 Screening of the Plant: SRP shall provide screening on the north and west sides
17 of the Plant property. Such screening shall be compatible with the design and
18 landscaping of Warner Road and shall be approved by Town. Screening on the north side
19 will be evaluated as part of the Warner Road improvements described in Paragraph 1.1
20 and as may be determined by the Santan Community Working Group on or before
21 December 31, 2000. Screening on the west side will include evaluating the use of berms,
22 vegetation, architectural treatment and/or walls. SRP will remove the northern fuel tanks
23 (which is necessary to construct the Plant improvements) and will paint the remaining
24 tank.

21 The Warner Road and Val Vista Road improvements were only recently completed by
22 the Town of Gilbert, in July 2003. Thus, tree plantings and other landscaping activities were
23 delayed in the areas affected by these road improvements. Originally, SRP believed that these
24 road improvements would occur in Summer 2002. As soon as the road-widening project was
25
26

1 complete, landscaping was added to the median. The CWG designed the landscaping plan and
2 SRP provided the funds for it.

3 **II. SRP is in Compliance with CEC Condition 29.**

4 The Emergency Motion also references compliance with CEC Condition 29, without
5 citing any specific instance of alleged non-compliance. CEC Condition 29 provides:

6 During the proceeding neighbors to the plant site raise significant concern about the
7 impact of the plant expansion on residential property values. In performing each of the
8 conditions in this order Applicant, in conjunction where applicable, with the Town of
9 Gilbert and the plant site neighbors, shall consider and attempt to maximize the positive
10 effect of its activities on the values of the homes in the surrounding neighborhoods.

11 Consistent with the intent of the CEC as a whole, the performed and planned mitigations of SRP
12 are designed to “maximize the positive effect of its activities on the value of homes”. SRP
13 believes it has continued to honor that commitment in carrying out these commitments.

14 In addition to the various items discussed above, SRP particularly brings to the Commission’s
15 attention these items:

16 *a. SRP has committed substantial funds to the various mitigation projects.*

17 SRP estimates that it will spend approximately \$13 million for landscaping and
18 mitigation for the Santan Expansion Project. The onsite landscaping plan alone was budgeted at
19 \$6.7 million, of which \$5.8 million has been spent to date.

20 *b. Most of the major mitigation work is complete.*

21 SRP has continued to move forward with other landscaping and mitigation features. This
22 includes the completion of a 10-foot block wall constructed along the east side of the plant
23 property, completion of the berms, removal of the training tower and fuel tanks, cooperation with
24 the Town of Gilbert to improve Warner and Val Vista Roads, recessing facilities below grade,
25 relocation of the gas metering station, construction of the pedestrian bridge, installation of
26

1 gabion and terrace walls on the berm and retention of existing vegetation and trees, including
2 pruning and trimming.

3 c. *SRP has performed significant offsite mitigation.*

4 SRP has developed an extensive offsite landscaping and mitigation program. In addition
5 to the rerouting of the SRP eastern canal at Ray Road to eliminate the portion parallel to Ray
6 Road, the revegetation along the new RS 18 line, and the improvements to Warner Road and Val
7 Vista Road, including sidewalks, a landscaped median and street lights, SRP has developed
8 programs to help local residents mitigate views of the power plant. The offsite landscaping and
9 mitigation measures consist of two different programs – *the Home Owners Association (HOA)*
10 *landscaping program* and the *individual landscaping program* established for County residential
11 properties. Allocation for both programs was based on the same four primary factors: (1)
12 proximity to the power plant; (2) subdivision area; (3) the number of lots within a subdivision; and
13 (4) special condition areas.
14

15 Seventeen of the nineteen HOAs eligible to participate submitted plans and received
16 approval for their landscaping plans. Under the terms of this program, after review and approval
17 of the plans by the Town of Gilbert, SRP will make a one-time payment to each of the HOAs to
18 fund improvements to help mitigate views of the power plant. SRP will provide future annual
19 payments to the HOAs for offsite landscaping maintenance. The annual payments will continue
20 for a period of twenty (20) years beginning in 2004.
21

22 SRP has allocated over \$1.3 million to fund the offsite HOA program, not including the
23 annual maintenance payments. To date, SRP has distributed funds to eleven of the seventeen
24 participating HOAs. SRP will provide funds to the remaining HOAs after the Town of Gilbert
25 approves their plans.
26

1 Residents of three county islands located near the Santan plant were invited to participate
2 in a similar program. Under this program, each participating county resident received a voucher to
3 be redeemed at a local nursery for the purchase of trees or other landscaping materials. SRP also
4 distributed additional funds to help with costs of any ancillary improvements to the residents'
5 landscape watering systems, groundcover or any grass replacement. Forty-two percent of the
6 residents chose to take part.

7 The activities to date, and the ongoing activities, comply with the spirit and letter of
8 Condition 29.

9 Conclusion

10 In summary, SRP is proud of the significant and substantial progress to date on bringing
11 the benefits of the Santan Expansion Project to Arizona. Construction is on schedule.
12 Substantial mitigation efforts are completed or near completion.

13 As with any project, the finishing touches come last. In this case, the planting of
14 vegetation was a finishing touch that needed to await work that underlies its design and
15 construction. Most significant in this regard is the work of the CWG. The CWG members took
16 their work seriously, and took the time necessary to insure that the finished design met the needs
17 of the Santan neighbors and the Town of Gilbert as a whole.

18 SRP was also forced to weigh considerations of cost and neighborhood disruption. SRP
19 determined, and we submit correctly so, that the logical staging for the berm construction was to
20 use the onsite soil. The alternative of trucking dirt in and out, in addition to involving great cost,
21 would have created unacceptable disruption to the neighborhood.

22 For the reasons outlined above, SRP respectfully requests that the Commission dismiss
23 the Emergency Motion.
24
25
26

1 RESPECTFULLY SUBMITTED this 22nd day of September, 2003.

2 SALT RIVER PROJECT AGRICULTURAL AND
3 IMPROVEMENT DISTRICT

4 By 
5 Kelly J. Barr

6 Salt River Project
7 P. O. Box 52025, PAB 221
8 Phoenix, AZ 85072-2025
9 Telephone (602) 236-5262

10 Kenneth C. Sundlof, Jr.
11 Jennings, Strauss & Salmon, P.L.C.
12 The Collier Center, 11th Floor
13 201 E. Washington Street
14 Phoenix, AZ 85004-2385

15
16
17 **Original and 25 copies of the foregoing**
18 **filed this 22nd day of September, 2003, with:**

19 Docket Control
20 Arizona Corporation Commission
21 1200 W. Washington
22 Phoenix, AZ 85007

23 **Copies of the foregoing mailed or**
24 **transmitted electronically this 22nd day of**
25 **September, 2003, to:**

26 Lyn Farmer, Chief Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 W. Washington

1 Phoenix, AZ 85007

2 Jason Gellman
3 Legal Division
4 Arizona Corporation Commission
5 1200 W. Washington
6 Phoenix, AZ 85007

7 Ernest Johnson, Director
8 Utilities Division
9 Arizona Corporation Commission
10 1200 W. Washington
11 Phoenix, AZ 85007

12 Laurie Woodall
13 Office of the Attorney General
14 1275 W. Washington
15 Phoenix, AZ 85007

16 Walter Meek, President
17 AUIA
18 2100 N. Central Avenue, Suite 210
19 Phoenix, AZ 85004

20 Timothy M. Hogan
21 Arizona Center for Law in the Public
22 Interest
23 202 E. McDowell Road, Suite 153
24 Phoenix, AZ 85004-4533

25 Mark Sequeira
26 2236 E. Saratoga Street
Gilbert, AZ 85296

Cathy Lopez
16618 S. 30th Dr.
Phoenix, AZ 85045
Michael Apergis
637 E. Cantabria Dr.
Gilbert, AZ 85296

Marshall Green
1751 E. Orangewood Street
Gilbert, AZ 85296

- 1 Charlie Henson
2641 E. Libra St.
Gilbert, AZ 85234
- 3 Mark Kwiat
2075 E. Smoke Tree Road
Gilbert, AZ 85296
- 5 Elisa Warner
625 E. Stottler Drive
Gilbert, AZ 85296
- 7 David Lundgreen
2866 E. Cullumber Ct.
Gilbert, AZ 85234
- 10 Cathy LaTona
1917 E. Smoke Tree Road
Gilbert, AZ 85296
- 12 Sarretta Parrault
1887 E. Arabian Drive
Gilbert, AZ 85296
- 14 Christopher Labban, DO
529 E. Ranch Rd.
Gilbert, AZ 85296
- 16 Jennifer Duffany
19049 E. Cloud Rd.
Queen Creek, AZ 85242
- 19 Bruce Jones
9107 Anne Marie Blvd.
Grand Blanc, MI 48439
- 21 Dale Borger
2301 E. Millbrae Court
Gilbert, AZ 85234
- 24 Shane Donart
1672 E. Sarasota Street
Gilbert, AZ 85296
- 26

By Joe E. Blaney

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Exhibit A

Summary of Key Dates for Onsite Landscaping

1		
2		
3	5/01/01	ACC approved CEC for SEP – Decision No. 63611
4	6/02/01	1 st Landscaping and Mitigation CWG Meeting (Condition 7)
5	6/13/01	2 nd Landscaping and Mitigation CWG Meeting (Condition 7)
6	7/07/01	3 rd Landscaping and Mitigation CWG Meeting (Condition 7)
7	7/17/01	4 th Landscaping and Mitigation CWG Meeting (Condition 7)
8	7/28/01	5 th Landscaping and Mitigation CWG Meeting (Condition 7)
9		
10	8/14/01	6 th Landscaping and Mitigation CWG Meeting (Condition 7)
11	9/08/01	7 th Landscaping and Mitigation CWG Meeting (Condition 7)
12	9/22/01	8 th Landscaping and Mitigation CWG Meeting (Condition 7)
13	10/23/01	9 th Landscaping and Mitigation CWG Meeting (Condition 7)
14	11/01/01	10 th Landscaping and Mitigation CWG Meeting (Condition 7)
15	11/06/01	11 th Landscaping and Mitigation CWG Meeting (Condition 7)
16	11/26/01	12 th Landscaping and Mitigation CWG Meeting (Condition 7)
17		
18	12/01/01	13 th Landscaping and Mitigation CWG Meeting (Condition 7)
19	12/15/01	14 th Landscaping and Mitigation CWG Meeting (Condition 7)
20	1/05/02	15 th Landscaping and Mitigation CWG Meeting (Condition 7)
21	1/23/02	16 th Landscaping and Mitigation CWG Meeting (Condition 7)
22	2/02/02	17 th Landscaping and Mitigation CWG Meeting (Condition 7)
23	2/11/02	18 th Landscaping and Mitigation CWG Meeting (Condition 7)
24	2/23/02	19 th Landscaping and Mitigation CWG Meeting (Condition 7)
25		
26	3/04/02	20 th Landscaping and Mitigation CWG Meeting (Condition 7)

1	3/30/02	21 st Landscaping and Mitigation CWG Meeting (Condition 7)
2	4/04/02	22 nd Landscaping and Mitigation CWG Meeting (Condition 7)
3	4/22/02	23 rd Landscaping and Mitigation CWG Meeting (Condition 7)
4	4/29/02	24 th Landscaping and Mitigation CWG Meeting (Condition 7)
5	5/2002	SRP purchases 1,200 trees from Western Tree Co. – to be held at nursery until needed.
6		
7	8/02-9/02	Construction of 25-foot berm begins – 1 st 15 feet of berm constructed from dirt from Retention Pond 3B excavation.
8		
9	11/02-4/03	Construction of final 10 feet of a total 25 foot berm using dirt from excavation of 15-foot pit for HRSG modules.
10		
11	12/09/02	25 th (Final) Landscaping and Mitigation CWG Meeting (Condition 7) – approval of preliminary construction documents.
12		
13	2/10/03	Air Quality Permit approved.
14		
15	2/2003	95% construction documents completed by Ten Eyck Landscape Architects and submitted to SRP and Town of Gilbert.
16		
17	3/2003	SRP and Town of Gilbert complete review of construction documents and bid set of drawings are issued.
18		
19	4/2003	25-foot berm completed.
20		
21	5/29/03	SRP awards landscaping contract to Evergreen Lawn Sprinklers.
22		
23	6/2003	Landscape construction begins – shaping berm, installing gabion walls, clearing land of scrub and trimming existing trees.
24		
25	8/2003	Irrigation system being installed.
26		
	8/2003	HRSG construction above berm elevation.
	10/2003	Unit 5 Steam Turbine Generator building construction above berm elevation.
	10/2003	Stacks construction above berm elevation.
	10/03-1st Qtr 04	Placement and planting of trees to occur.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Exhibit B

Summary of Relevant Sections of SRP's Reports to the Commission

<i>Report Date</i>	<i>Condition No. 7</i>
January 2002	<ul style="list-style-type: none">• The CWG began meeting in June 2001.• At the start of the process CWG members interviewed three potential independent facilitators and selected Mary Orton.• Ten Eyck Landscape Architects, Inc. hired to develop design concepts.• The CWG met on 15 different times between June 13th and January 23rd for approximately 4 hours each time.• As of January 5, 2002, the CWG reached a consensus on approximately 36 items for the on-site design only, specifically:<ul style="list-style-type: none">➤ trees, groundcover, shrubs and decomposed granite were identified for the Warner Road median;➤ identified trees groundcover, shrubs, fencing and decomposed granite for berm on Warner Road;➤ identified type and look of terrace walls that will be on Warner Road berm;➤ barrier to be built on the north side of Warner Road across the transmission line easement;➤ specialty feature to be added on south side of Warner across from Key Biscayne Drive;➤ North, West and South side preliminary designs near completion➤ CWG decided to finalize on-site design plans before addressing offsite mitigation plans.

Report Date	Condition No. 7
April 2002	<ul style="list-style-type: none"> • The CWG met 8 times between February 2nd and April 29th for approximately 4 hours each time. • CWG agreed on a conceptual plan for the onsite landscaping with the following stipulations: <ul style="list-style-type: none"> ➤ offsite landscaping will be set at \$1.5 million; • If HOAs end up doing the planning for their specific community, the following tenets must be built in the process: <ul style="list-style-type: none"> ➤ CWG agrees to develop a formula or process for allocating the off-site landscaping funds; ➤ Town of Gilbert acts as intermediary for transmittal of funds to HOAs; ➤ HOAs commit in writing that funds will be used for purposes specified in CEC conditions list; ➤ HOAs work with CWG on the offsite plans; ➤ SRP will remove 3rd oil tank, but replace with 2 smaller tanks; ➤ Two structural issues to be resolved for the landscape berm; ➤ SRP will use best effort to obtain larger tree sizes, but where not available, SRP will purchase best plants that can be obtained; ➤ SRP will proceed to buy trees ahead of time; ➤ Plan must be approved by Town of Gilbert staff. • CWG continues to work through offsite mitigation, but has not agreed on conceptual plan. • An Open House is planned for April 30, 2002 to view and comment on the onsite plans. The announcement was mailed to approximately 25,000 residents. • SRP continues to reiterate the need to move along the onsite plan so plantings can begin as soon as possible.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Report Date	Condition No. 7
July 2002	<ul style="list-style-type: none"> • CWG has agreed on a conceptual plan for the on-site landscaping. • Ten Eyck is currently working on the construction documents. Documents to be forwarded to Town of Gilbert in Fall 2002 • CWG will meet later in the summer once Ten Eyck completes the onsite construction documents. • At the April 29th meeting, CWG agreed to delegate responsibility for offsite landscaping plan to SRP. • SRP is working to develop an equitable solution and attempting to make provisions for the varied off-site conditions. • The allocation of the off-site funds will be based on: <ul style="list-style-type: none"> ➤ Proximity to Power Plant – properties located closer will receive higher percentage of funds. ➤ Subdivision Area – portion of the funds will be distributed to each eligible subdivision based on acreage of the subdivision; the allocation will be adjusted to consider the proximity to the plant. ➤ Number of Lots within a subdivision – additional portion of funds to be distributed based on number of lots within each subdivision; the allocation will be adjusted to consider proximity to plant. ➤ Special Condition Areas – Areas where residential lots are adjacent to open space and face toward the plant will be identified and funds will be allocated to address this condition.
October 2002	<ul style="list-style-type: none"> • CWG will meet again as soon as landscape architect's work on construction documents is 60% completed. • SRP has finalized details for two separate offsite landscaping programs – the HOA landscaping program and the individual landscaping program for County residential properties.
January 2003	<ul style="list-style-type: none"> • Final CWG meeting was held on December 9, 2002 at which time they reviewed and approved the onsite construction documents that were approximately 80% complete. • The December 2002 edition of SRP's Energy News newsletter was sent to residents within a 2.5 mile radius of the plant and described the offsite mitigation efforts. • CWG directed SRP to use landscaping maintenance specifications for Papago Park Center as a reference as they develop landscaping maintenance plan.

<i>Report Date</i>	<i>Condition No. 7</i>
April 2003	<ul style="list-style-type: none"> • Process to complete the landscaping and screening designs is complete. • SRP has finalized the details for two separate off-site landscaping programs.
July 2003	<ul style="list-style-type: none"> • Landscape contractor hired in May 2003 and has begun on-site activities including shaping the berm, installing gabion walls, clearing the land of scrub and trimming existing trees. • Deadline to participate in HOA offsite landscaping program was May 2003. • Distribution of \$339,211 was made in April 2003 for three communities. • Distribution of \$450,363 was distributed in June to 4 communities. • Upon approval by the Town of Gilbert, an additional \$537,614 will be disbursed to the final 10 communities. • See conditions 7 and 28 for further detail on landscaping activities.
<i>Report Date</i>	<i>Condition No. 9</i>
January 2002	<ul style="list-style-type: none"> • Design plan has not been completed; early in the process the CWG targeted October 21, 2001 as the target date to complete site design. SRP continues to encourage completion of the design plans so that trees can be planted as soon as possible.
April 2002	<ul style="list-style-type: none"> • Design plan has not been finalized; therefore planting has not started. • SRP continues to remind the CWG that power plant construction is rapidly approaching and encourages completion of the design plans so trees can be planted.
July 2002	<ul style="list-style-type: none"> • CWG has agreed on a conceptual plan for the onsite landscaping. • Ten Eyck is currently working on the construction documents. Documents to be forwarded to Town of Gilbert in Fall 2002. • SRP and Ten Eyck continue to work on specification and bidding process for early procurement of trees.
October 2002	<ul style="list-style-type: none"> • No update or change from July 2002 quarterly report.
January 2003	<ul style="list-style-type: none"> • No update or change from October 2002 quarterly report.
April 2003	<ul style="list-style-type: none"> • No update or change from January 2003 quarterly report.

1	July 2003	<ul style="list-style-type: none"> • No update or change from April 2003 quarterly report. • See Conditions 7 and 28 for further detail on landscaping activities.
2	Report Date	Condition No. 28
3	January 2002	<ul style="list-style-type: none"> • Improvements to Warner & Val Vista Road – Town has not submitted a bid to complete improvements. At the request of the CWG, the bid was put on hold until the CWG could provide input on the median design. • Screening of Plant – Onsite design plan has not been completed and therefore planting has not started. • Trail Extension – At the request of CWG and residents east of the plant, this obligation is on hold and being reviewed by the CWG and Town for possible removal. • Rerouting of Canal at Ray Road – SRP is in the process of procuring one acre of land needed to make the modification. Design work to be completed prior to summer of 2002. Actual construction to be completed fall of 2002, to coincide with the annual canal dry-up. • Training Tower Removal – Removed in the fall of 2000. • Revegetation along new RS 18 line – SRP has restored any vegetation damaged or destroyed as a result of construction. • Dust Control Along Canals – SRP is in compliance with applicable PM-10 standards • Off-site Tree Planting – The offsite design plan has not been completed, therefore planting has not begun.
14		
15	April 2002	<ul style="list-style-type: none"> • CWG has provided recommendations on the median design. Town has not finalized a bid to complete improvements. SRP expects improvements to begin summer of 2002. • Screening of Plant – On-site design plan has not been finalized; therefore planting has not started. • Trail Extension – This will be developed and is incorporated in the onsite design plan. • Rerouting of Canal at Ray Road – SRP has procured the one acre land. Design work will be completed prior to Summer 2002. Actual construction will be completed by Fall 2002 to coincide with annual dry-up. • Off-site Tree Planting – Off-site design plan has not been developed; therefore, planting has not begun.
22		
23	July 2002	<ul style="list-style-type: none"> • Improvements to Warner & Val Vista Roads – Town is reviewing plans from their consulting engineering firm. Town anticipates bidding in mid-August. Work on the north border will be done first followed by the widening of Warner and Val Vista at the railroad crossings. Additional work associated with landscaping the median

	<p>will take place after the roadway is complete. Town expects this entire project to be completed by February 2003.</p> <ul style="list-style-type: none"> • Screening of Plant – Construction documents are being developed; Town review is expected later this Fall. • Removal of Fuel Tanks – SRP has removed two of the three fuel tanks. The third tank will be removed late 2002 or early 2003. SRP to procure two smaller tanks that will be constructed in the space occupied by the larger tanks. • Trail Extension – Will be developed and is incorporated in the on-site design plan. • Rerouting of Canal at Ray Road – Design work has been completed. Actual construction will be completed by end of November 2002. • Off-site Tree Planting – Off-site design plan is being developed.
October 2002	<ul style="list-style-type: none"> • Improvements to Warner and Val Vista Roads – The Town continues to review roadway plans from the engineering firm. They anticipate bidding the work in December 2002. Work on the north border will be done first followed by the widening of Warner and Val Vista Roads at the railroad crossings. Additional work associated with landscaping the median will take place after the roadway is complete. Town expects this entire project to be completed by March 2003. • Screening of Plant – Construction documents are being developed for the onsite design. Town review is expected later this Fall. • Screening of Plant – Construction documents are being developed; Town review is expected later this Fall. • Removal of Fuel Tanks – SRP has removed 2 of the 3 fuel tanks. The third tank will be removed late 2002 or early 2003. SRP to procure two smaller tanks that will be constructed in the space occupied by the larger tanks. • Trail Extension – Will be developed and is incorporated in the on-site design plan. • Rerouting of Canal at Ray Road – Design work has been completed. Actual construction will be completed by end of November 2002. • Offsite Tree Planting – Offsite design plan has been developed.
January 2003	<ul style="list-style-type: none"> • Improvements to Warner and Val Vista Roads – Award was made on December 17, 2002. Work has begun. SRP emphasized desire to maintain as many of the existing bushes and trees along North plant boundary as possible. Current plan is to complete work on the North border first followed by widening of Warner and Val Vista at railroad crossings. Tentative schedules call for work north of the plant to begin now and be complete by the end of February. The work on Val Vista

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

	<p>at the plant road is planned from February to early April followed by the site on Warner west of Val Vista.</p> <ul style="list-style-type: none"> • Screening of Plant – SRP is developing construction documents for the onsite design. Plans are approximately 80% complete. CWG has reviewed documents; Town review is expected to occur within next month. • SRP has removed all fuel tanks and procured small tanks. Installation of these tanks has begun. • Trail Extension – SRP will add the trail extension on the east side and incorporate the extension in the on-site design. • Rerouting of Canal at Ray Road – Modification is complete. • Offsite Tree Planting – The offsite landscaping programs have been developed.
<p>April 2003</p>	<ul style="list-style-type: none"> • Improvements to Warner and Val Vista Roads – Work has begun. SRP emphasized desire to maintain as many of the existing bushes and trees along north plant boundary as possible. The work on the north border is complete except for a small portion of the landscaping work in the median. Widening of Warner west of Val Vista is in progress. Val Vista Road work will be performed after the Warner Road widening. All work associated with the project has a completion date of approximately July 14, 2003. Seven days have been added to this schedule due to storm delay. • Screening of Plant – Construction documents are complete. CWG has reviewed and approved documents as has the Town. The RFP for the construction was issued on April 3rd and the contract will be awarded on May 14th. • Trail Extension – SRP will add the trail extension on the east side and incorporate the extension in the on-site design. • Off-site Tree Planting – The off-site landscaping programs have been developed.
<p>July 2003</p>	<ul style="list-style-type: none"> • Improvements to Warner and Val Vista Roads – Work is complete. • Screening of Plant – The contract was awarded on May 29th. Mobilization was June 26th. • Trail Extension – SRP will add the trail extension on the east side and incorporate the extension in the onsite design. • Offsite Tree Planting – The off-site landscaping programs have been developed.

<i>Report Date</i>	<i>Condition No. 29</i>
January 2002	<ul style="list-style-type: none"> • A specialty feature to be added directly across from Key Biscayne Drive (feature is designed to focus viewers' attention on landscaped elements when approaching Warner Road from Key Biscayne Drive). • Completed undergrounding of an irrigation lateral through Western Skies – this action removed the open canal that crossed through the golf course and subdivision. • Above-ground distribution line along Warner Road is in process of being relocated underground. Modified design and relocated cabinet to less obtrusive location. • SRP provided \$50,000 to Western Skies, Cottonwoods Crossing, Finley Farms South and Rancho Cimarron in December 2001. • SRP is considering plans to rebuild and increase height of the backyard wall for the residents of Cottonwood Crossing who border the eastern edge of the property.
April 2002	<ul style="list-style-type: none"> • No update or change from January 2002 quarterly report.
July 2002	<ul style="list-style-type: none"> • While plans are not complete, there are provisions for creating attractive landscaping with trees, shrubs and gabion and terrace walls on the berm. • SRP provided \$50,000 to Silverstone Ranch to improve their community.
October 2002	<ul style="list-style-type: none"> • No update or change from July 2002 quarterly report.
January 2003	<ul style="list-style-type: none"> • No update or change from October 2002 quarterly report.
April 2003	<ul style="list-style-type: none"> • No update or change from January 2003 quarterly report.
July 2003	<ul style="list-style-type: none"> • No update or change from April 2003 quarterly report.