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Water Pipeline Replacement

The River Supply Conduit (RSC) Project – a major water pipeline project proposed in the City of Los Angeles – is an example of one of the water-related projects we are managing at Aspen. The LADWP plans to replace its existing water pipeline distribution system with a new pipeline system. Running from the North Hollywood Pump Station and ending at the Ivanhoe Reservoir (Silver Lake), the existing pipeline is approximately 60,000 feet. Sections of it are unpressurized or at very low pressure and leak, which does not meet State requirements. Further impacting the existing system, is the requirement to comply with State and federal water quality regulations, which results in LADWP no longer using this open air Silver Lake Reservoir Complex to feed into its distribution system. LADWP will replace water currently provided by these reservoirs with an underground covered storage reservoir at another LADWP-owned site. Since 2004, Aspen has been assisting LADWP with the preparation of environmental reports for this project. Aspen completed the Environmental Impact Report (EIR) for the Lower Reach pipeline in December 2005, and we are currently working on the EIR for the Upper Reach water pipeline.



ASPEN TACKLES WIDE-RANGING ENERGY ISSUES

As public concern over global warming, greenhouse gas (GHG) emissions, and interest in "green" energy intensifies, Aspen is at the forefront, assisting our clients to address these challenges. In the fall of 2006 Aspen assembled a team of engineers, economists, and energy policy experts for the California Energy Commission to aid them in tackling a wide range of energy planning tasks. These tasks include modeling GHG emissions for the electricity sector in the west, improving natural gas assessments, and evaluating strategies for Smart Growth planning. In addition, the team has performed a number of technical studies and reports for the Energy Commission including energy efficiency potential studies, renewable energy cost and performance studies, and the development of methodology for electric sector portfolio analysis.

The Energy Commission recently published the 2007 Integrated Energy Policy Report

(IEPR), and the Aspen team has met the Energy Commission's standard of using the best technical information and analytical tools available to produce a number of products in support of the IEPR. A complete list of the planning and analysis projects performed by the Aspen team under this IEPR cycle can be found on the following website:

<http://energy.ca.gov/2007publications/CEC-100-2007-008/CEC-100-2007-008-CTD.PDF>

One notable project completed by the Aspen team is the Scenarios Project, which forms the cornerstone of the Electricity Assessment chapter of the 2007 IEPR. The Scenarios Project complements recent renewable energy and energy efficiency potential studies coordinated by the Western Governors Association with an analysis that more fully explores the reduction in GHG emissions associated with aggressive preferred energy scenarios. The analysis provides more realistic representations of renewable and efficiency resource locations, electric system dispatch of preferred resource portfolios, and transmission system expansion. Team

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PUBLIC PARTICIPATION PROGRAMS

Thinking "Outside of the Box" in Response to Diverse Opinions

Public participation has been a key component of our major and controversial projects completed at Aspen for more than fifteen years. In the past five years, controversial electrical and public institution construction projects have challenged Aspen to address the diverse characteristics of projects that cross state lines and of projects that address ethnically and culturally diverse people as well as differing opinions on the use of natural resources. We met these challenges by "thinking outside of the box" on our approach to public participation. We created in-house tools that allow us to effectively and efficiently develop and maintain mailing lists for proper notification, track and monitor comments (mail, email, fax, and voice) to ensure we have considered all options, and document public and agency comments. We have assisted our clients in meeting NEPA and CEQA



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Inland Empire Energy Infrastructure Growth

The Inland Empire region in San Bernardino and Riverside Counties of Southern California is growing at a tremendous rate, with the lowest unemployment in the area in 40 years and one of the fastest growing economies in the country. With this growth comes a demand for electricity that threatens to overwhelm the existing power grid, and Aspen is involved in many of the projects to reduce loading to safe and reliable limits.

Aspen prepared the EIR/EIS for the Devers-Palo Verde No. 2 500kV Transmission Line Project, intended to import power from Arizona to the Inland Empire region. Additionally, Aspen is preparing the EIR for the El Casco System Project and an IS/MND for the Sunset Substation and Transmission and Distribution Project, to alleviate load levels and provide reliable power for the cities of Calimesa, Beaumont, Banning, and surrounding unincorporated Riverside County. The demand for reliable electricity is so great in this area, that many municipalities, are exploring generation of their own power, particularly green power. Aspen is working with the City of Banning on the EIR for the Liberty XXIII Renewable Energy Power Plant Project, a waste-to-energy plant. Aspen's work in this area puts it in the forefront of helping maintain safe and reliable power supplies to this rapidly expanding region.

Source Water Protection and Land Use

East Bay Municipal Utility District's Land Use Master Plan for its Mokelumne Watershed lands is 37 years old this year. Time for a new plan. Aspen is part of the team creating one. In addition to consulting on Plan development, Aspen is preparing the required Program EIR. Lands that are the focus of the effort encompass two important reservoirs – Pardee, a critical part of EBMUD's water supply, and Camanche, an important tool for managing flows on the Mokelumne River. In addition to source water protection, the Plan also addresses a number of special circumstances. These include the fact that the District owns only 44% of the watershed draining to the reservoirs. A long list of issues and concerns are addressed: the area is fire prone, agreements require extensive recreation facilities be maintained, land is leased for grazing, mobile home parks are on site, and natural and cultural resources occur throughout the watershed. The Plan provides guidance on addressing these concerns and responsibilities, including the need for subsequent sub-plans for individual management programs. The Plan and EIR are slated for adoption in early 2008.

GSA Contract Holder

Public Participation - Diverse Opinions

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requirements for public participation, notification, and involvement; these State and federal laws are the foundation of our public participation program. However, we understand that to ensure effective participation we must go beyond the minimal requirements and tailor public participation to fit each project's size and unique needs. Our approach to public participation is to function as a catalyst, helping to identify issues, define the process, and provide a meaningful opportunity for public input. Our experience ranges from developing programs for major electrical transmission and pipeline projects to programs for school construction projects.

Aspen's services include:

- Initial project information dissemination and notification
- Project database development & management (mailing lists)
- Public meeting facilitation, logistics, and site identification
- Documentation of public notification and activities in Scoping Reports
- Interpretation and translation services
- Media Relations
- Development of easily-understood meeting handouts
- Project newsletter and fact sheet development, layout, and publication
- Setup and maintenance of project website
- Setup and tracking of telephone hotline/e-mail.

Educational Institutions Require Aspen's Specialization

Aspen continues to provide the Los Angeles Unified School District (LAUSD) with various environmental impact assessment services for the 9th year. LAUSD is the second largest school district in the nation. Over the course of the past year, Aspen has completed work on two elementary school EIRs, two middle school EIRs, and a controversial high school EIR. With completion of these projects, and since 1998, Aspen has been issued 54 separate work authorizations by LAUSD to conduct various support services, including CEQA documentation (including Categorical Exemptions, MNDs, and EIRs); Health Risk Assessments; Historic and Cultural Resources Assessments; air quality, traffic, and noise studies; and comprehensive public involvement/outreach programs.





Energy

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“Aspen played an integral role in two ground-breaking Energy Commission studies on the relationship between land use, energy, and GHG emission reductions.”

members Global Energy Decisions conducted the Production Cost Simulation and Navigant provided renewable energy and transmission system expansion decisions. Aspen contributed a third-party evaluation of the limiting assumptions embodied in the modeling effort. The study produced GHG electric sector emissions projections for nine different preferred resource scenarios and more than 50 different scenario sensitivity analyses.

Aspen played an integral role in two ground-breaking Energy Commission studies on the relationship between land use, energy, and reducing GHG emissions. The first report, *The Relationship between Land Use and Energy*, was one of the two chapters comprising the 2006 IEPR update. This report evaluated existing studies and policies and developed recommendations related to sustainable land use planning and energy saving opportunities. The second report, *The Role of Land Use in Meeting California's Energy and Climate Change Goals*, evaluated how mixed-use and transit-oriented land development could reduce GHG emissions from vehicles. This report recommended that the State use its regulatory and financing muscle to support efforts by regional government to create energy-smart growth.

Aspen team members MRW & Associates continue to provide Energy Commission staff with ongoing assistance, analysis, and evaluation of nuclear policy energy issues. They have prepared a comprehensive report that investigates a wide spectrum of nuclear energy topics while emphasizing the most relevant policy and planning implications for California. In particular, the report covers the costs of nuclear power, the environmental and societal impacts, and the future of nuclear power in the U.S. and California.

In addition to the projects mentioned above, Aspen also supported the Energy Commission in its management of the West Coast Regional Carbon Sequestration Partnership (WESTCARB) this year by preparing a CEQA Mitigated Negative Declaration for the Division of Oil, Gas, and Geothermal Resources (DOGGR) and a NEPA document for the U.S. Department of Energy (DOE) for a new CO₂ sequestration study site. The study site is to be located on Department of Water Resources (DWR) property beside Grizzly Slough, near the Mokelumne River in Sacramento County. Aspen looks forward to continuing to assist our clients in the energy sector in the coming year.



Aspen's President Shares Expertise in China

At the invitation of several universities in the People's Republic of China, Dr. Hamid Rastegar, Aspen's President and CEO, visited several cities. Dr. Rastegar made presentations on the subject of "Global Environmental Challenges" at the Hunan Institute for Science and Technology and at the University of International Business and Economics in Beijing. Some 1,200 students and professors attended these presentations and participated in discussions on the challenges and potential solutions. Dr. Rastegar and his wife (Dr. Mitra Rastegar) also visited some educational facilities (both universities and schools) in cities and the countryside to observe the educational reform experiences put in place in China.

LITTLEROCK SEDIMENT REMOVAL

Aspen Consulting Engineers, in Phoenix, is currently working with the Palmdale Water District to investigate the feasibility of using a dredge and slurry operation to excavate accumulated sediment from Littlerock Reservoir. A slurry operation could avoid or reduce several substantial environmental impacts that would result from a more-conventional trucking operation. Possible benefits would include lower air emissions, reduced traffic impacts, and reduced recreational impacts to the reservoir. A slurry operation would require approximately six miles of pipe to transport the slurry mixture from the reservoir to the disposal site. If determined to be feasible, Aspen will develop a conceptual design for environmental impact evaluation.

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GIS - IT Team to Help Clients

Aspen has recently invested in an advanced GIS system utilizing ESRI's new software, ArcGIS ArcServer, which will give end-users access to project spatial data via an interactive internet-based map. Each project will have its own web page map with the most current data published to the site allowing project stake-holders access to the most recent and up-to-date GIS data files. Users will have the capability to identify features, make measurements, create distance buffers, make spatial queries, and print maps directly from the web map page. The goal is to store all relevant project data in one centralized area while giving all project users access to the dynamic data.

To make this a successful project Aspen's GIS team has teamed up with our IT department to build an effective and efficient infrastructure for these services. Aspen expanded its network speed and bandwidth to 2 gigabytes per minute. As a backbone for our ArcGIS ArcServer Aspen uses SQL Server 2005, a Relational Database Management System (RDBMS), that is highly scalable and supports high levels of internet transactions, unlimited data storage capacity and various file types within GIS environment. The testing of the system will take place in the next 3 months with final deployment scheduled for the middle of the 1st quarter of 2008.

New Leaves OnTheAspenTree

Aspen has been very fortunate this year to secure a number of new contracts, which have spurred tremendous growth. To provide our clients with the highest responsiveness, we have increased our staff by 20 %. Our new co-workers have been absorbed into the company culture quickly and seamlessly, and they are already taking on challenging tasks. We have expanded our GIS capabilities and our Energy Economics team. In addition, we have doubled our IT department, boosted our biological capabilities and brought on a large number of environmental scientists to work on CEQA and NEPA projects. Aspen looks forward to continuing our tradition of truly understanding our clients' needs and developing the capacity to meet them.

<http://www.AspenEG.com>

