
Appendix H
Notice of Preparation and
Public Comments on *Notice*
of Preparation
(Provided on CD Only)



Sacramento
LAFCo

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

1112 I Street, Suite 100 • Sacramento, CA 95814-2836 • Tel (916) 874-6458 • Fax (916) 874-2939

NOTICE OF PREPARATION

(California Code of Regulations, Title 14, (CEQA Guidelines) Sections 15082(a), 15103, 15375)

To: State Clearinghouse
State Agencies
Responsible Agencies
Local and Public Agencies
Trustee Agencies

From: Peter Brundage
Sacramento Local Agency
Formation Commission
1112 I Street, Suite 100
Sacramento, CA 95814

Subject: Notice of Preparation of a Program Environmental Impact Report

The Sacramento Local Agency Formation Commission (LAFCo) is the Lead Agency and will prepare a Program Environmental Impact Report (Program EIR) for the project identified below. LAFCo needs to know the views of your agency as to the scope and content of the environmental information that is germane to your agency's statutory responsibilities in connection with future implementation activities associated with the proposed project. Your agency will need to use the Program EIR prepared by our agency (and any subsequent project-specific environmental documents) when, if applicable, considering any permit or other approval for subsequent projects your agency may be required or authorized to issue.

Due to the time limits mandated by state law, your response must be sent at the earliest possible date but not later than October 3, 2005. For ease of reference, Exhibit A of this Notice of Preparation (NOP) (see pages 3 through 9 of the NOP) summarizes questions asked of each agency, from the Environmental Issues Discussion. The questions are organized by agency.

The project description and the location of the proposed project are contained in Exhibit B. Exhibit C presents the Environmental Issues Discussion, including the probable/potential environmental effects of the project. Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the decision has been made to proceed directly to the preparation of a Program EIR, without including an Initial Study checklist.

Please send your response to Peter Brundage at the address shown above. Please also provide the name and contact information for the responsible person in your agency.

A PUBLIC INFORMATION SCOPING MEETING WILL BE HELD AT 5:30 PM ON SEPTEMBER 14, 2005, AT THE YOLO COUNTY BOARD OF SUPERVISORS, COUNTY ADMINISTRATION BUILDING, 625 COURT STREET, ROOM 204, WOODLAND, CA 95695-1268. ALL INTERESTED AGENCIES, PARTIES, AND THE GENERAL PUBLIC ARE INVITED TO ATTEND.

Project Title: Amendment of the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) and Annexation by SMUD of the Cities of West Sacramento, Davis, and Woodland, and Portions of Unincorporated Areas of Yolo County

Project Applicant: Sacramento Municipal Utility District

Project Location: Cities of West Sacramento, Davis, and Woodland and portions of unincorporated Yolo County between and surrounding the cities.

Date: September 1, 2005

Signature: Peter Brundage
Peter Brundage

Title: Executive Officer, Sacramento LAFCo
Telephone: (916) 874-6458

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

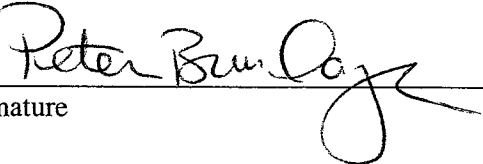
The environmental factors listed below with an adjacent darkened square will be discussed in the Program EIR.

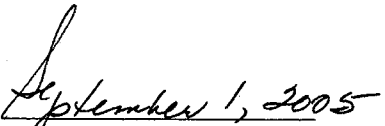
- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> Aesthetics | <input checked="" type="checkbox"/> Agriculture Resources | <input checked="" type="checkbox"/> Air Quality |
| <input checked="" type="checkbox"/> Biological Resources | <input checked="" type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology /Soils |
| <input checked="" type="checkbox"/> Hazards & Hazardous Materials | <input checked="" type="checkbox"/> Hydrology / Water Quality | <input checked="" type="checkbox"/> Land Use / Planning |
| <input type="checkbox"/> Mineral Resources | <input checked="" type="checkbox"/> Noise | <input checked="" type="checkbox"/> Population / Housing |
| <input checked="" type="checkbox"/> Public Services | <input checked="" type="checkbox"/> Recreation | <input checked="" type="checkbox"/> Transportation/Traffic |
| <input checked="" type="checkbox"/> Utilities / Service Systems | <input checked="" type="checkbox"/> Mandatory Findings of Significance | |

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.


Signature


Date

Peter Brundage, for Sacramento Local Agency Formation Commission
Printed name

Exhibit A

Questions Asked of Agencies

All recipients of this NOP are invited to respond to any aspect of the NOP. In particular, throughout this NOP, Sacramento LAFCo, as the Lead Agency, invites specific agencies to respond to specific environmental issues and questions presented herein. For ease of reference, those agencies are listed hereafter, along with the specific issues and questions asked of them. Please note the narrative presented in Exhibit C for appropriate context.

<p>California Department of Conservation, State Mining and Geology Board</p> <ul style="list-style-type: none">• Section X—Mineral Resources <p><i>Does your agency agree that mineral resources will not be significantly affected by this project?</i></p>
<p>California Department of Fish and Game, Central Sierra Region 2</p> <ul style="list-style-type: none">• Section IV—Biological Resources <p><i>Please advise us of any sensitive species or habitat present in the Annexation Territory and transmission line study area that are not included in commonly available databases.</i></p>
<p>California Department of Transportation, District 3</p> <ul style="list-style-type: none">• Section I—Aesthetics <p><i>Are there any state scenic highways in the Annexation Territory or in the transmission line study area?</i></p>
<p>California Department of Transportation, Division of Aeronautics</p> <ul style="list-style-type: none">• Section VII—Hazards and Hazardous Materials <p><i>What air traffic rules and regulations should be considered in analyzing the proposed SOI amendment/annexation and construction of new electric facilities?</i></p>
<p>Federal Aviation Administration</p> <ul style="list-style-type: none">• Section VII— Hazards and Hazardous Materials <p><i>What air traffic rules and regulations should be considered in analyzing the proposed SOI amendment/annexation and construction of new electric facilities?</i></p>
<p>Feather River Air Quality Management District</p> <ul style="list-style-type: none">• Section III—Air Quality <p><i>Do you have air quality concerns related to the project other than defining the temporary construction air quality mitigation measures?</i></p>

Sacramento Metropolitan Air Quality Management District

- Section III—Air Quality

Do you have air quality concerns related to the project other than defining the temporary construction air quality mitigation measures?

Yolo-Solano Air Quality Management District

- Section III—Air Quality

Do you have air quality concerns related to the project other than defining the temporary construction air quality mitigation measures?

City of Davis Planning Department

- Section IX—Land Use and Planning

What regulations, plans, or concerns do you have that may be pertinent to the proposed annexation or the selection of the final substation site and transmission line route?

- Section XI—Noise

Please send us your current noise ordinance and/or noise criteria.

- Section XII—Population and Housing

Please provide us with any insights you may have regarding secondary impacts, given the potential for inducement of growth as a result of a decrease in electric rates.

City of Sacramento Planning Department

- Section II—Agriculture Resources

Are there any agricultural issues pertaining to Williamson Act land or the conversion of farmland in the transmission line study area that your department would recommend be discussed in the Program EIR?

- Section IV—Biological Resources

Have the technical studies supporting your respective General Plan updates identified any rare or endangered species or habitat present in the transmission line study area inside Sacramento County, beyond those identified in commonly available databases?

- Section V—Cultural Resources

During your General Plan update, has there been an identification of any significant cultural resources in the transmission line study area?

- Section IX—Land Use and Planning
- *What regulations, plans, or concerns do you have that may be pertinent to the proposed annexation or the selection of the final substation site and transmission line route?*
- Section XI—Noise
Please send us your current noise ordinance and/or noise criteria.
- Section XII—Population and Housing
Please provide us with any insights you may have regarding secondary impacts, given the potential for inducement of growth as a result of a decrease in electric rates.

City of West Sacramento Planning Department

- Section IX—Land Use and Planning
What regulations, plans, or concerns do you have that may be pertinent to the proposed annexation or the selection of the final substation site and transmission line route?
- Section XI—Noise
Please send us your current noise ordinance and/or noise criteria.
- Section XII—Population and Housing
Please provide us with any insights you may have regarding secondary impacts, given the potential for inducement of growth as a result of a decrease in electric rates.

City of Woodland Planning Department

- Section IX—Land Use and Planning
What regulations, plans, or concerns do you have that may be pertinent to the proposed annexation or the selection of the final substation site and transmission line route?
- Section XI—Noise
Please send us your current noise ordinance and/or noise criteria.
- Section XII—Population and Housing
Please provide us with any insights you may have regarding secondary impacts, given the potential for inducement of growth as a result of a decrease in electric rates.

County of Sacramento Planning Department

- Section I—Aesthetics
Does your agency have any General Plan policies regarding the protection of scenic resources?

- Section II—Agriculture Resources

Are there any agricultural issues pertaining to Williamson Act land or the conversion of farmland in the transmission line study area within Sacramento County that your department would recommend be discussed in the Program EIR?

- Section IV—Biological Resources

Have the technical studies supporting your General Plan update identified any rare or endangered species or habitat present in the transmission line study area inside Sacramento County, beyond those identified in commonly available databases?

- Section V—Cultural Resources

During your General Plan update, has there been an identification of any significant cultural resources in the transmission line study area in Sacramento County?

- Section VI—Geology and Soils

During your General Plan update, has there been identification of any geologic constraints that would inhibit construction of the proposed transmission lines?

- Section VII—Hazards and Hazardous Materials

Do you foresee any actions necessary to avoid hazards and hazardous materials impacts beyond SMUD's current compliance with Sacramento County regulations?

- Section IX—Land Use and Planning

What regulations, plans, or concerns do you have that may be pertinent to the proposed annexation or the selection of the final substation site and transmission line route?

- Section XI—Noise

Please send us your current noise ordinance and/or noise criteria.

- Section XII—Population and Housing

Please provide us with any insights you may have regarding secondary impacts, given the potential for inducement of growth as a result of a decrease in electric rates.

Airport Land Use Commission for Sacramento County

- Section VII—Hazards and Hazardous Materials

What airport land-use regulations should be considered in analyzing the possible location of the proposed transmission lines and substations in the vicinity of local airports?

County of Sutter Planning Department

- Section I—Aesthetics

Does your agency have any General Plan policies regarding the protection of scenic resources?

- Section II—Agriculture Resources

Are there any agricultural issues pertaining to Williamson Act land or the conversion of farmland in the transmission line study area within Sutter County that your department would recommend be discussed in the Program EIR?

- Section IV—Biological Resources

Have the technical studies supporting your General Plan update identified any rare or endangered species or habitat present in the transmission line study area inside Sutter County, beyond those identified in commonly available databases?

- Section V—Cultural Resources

During your General Plan update, has there been an identification of any significant cultural resources in the transmission line study area in Sutter County?

- Section VI—Geology and Soils

During your General Plan update, has there been identification of any geologic constraints that would inhibit construction of the proposed transmission line?

- Section VII—Hazards and Hazardous Materials

What regulations has your agency developed that can be applied to avoid hazards and hazardous materials impacts as a result of the project?

- Section IX—Land Use and Planning

What regulations, plans, or concerns do you have that may be pertinent to the proposed annexation or the selection of the final substation site and transmission line route?

- Section XI—Noise

Please send us your current noise ordinance and/or noise criteria.

- Section XII—Population and Housing

Please provide us with any insights you may have regarding secondary impacts, given the potential for inducement of growth as a result of a decrease in electric rates.

Airport Land Use Commission for Sutter County

- Section VII—Hazards and Hazardous Materials

What airport land-use regulations should be considered in analyzing the possible location of the proposed transmission lines and substations that may be located in the vicinity of local airports?

County of Yolo Planning Department

- Section I—Aesthetics

Does your agency have any General Plan policies regarding the protection of scenic resources?

- Section II—Agriculture Resources

Are there any agricultural issues pertaining to Williamson Act land or the conversion of farmland in the Annexation Territory that your department would recommend be discussed in the Program EIR?

- Section IV—Biological Resources

Please advise us on the current status of the County's adoption of the Yolo County Habitat Conservation Plan.

- Section V—Cultural Resources

During your General Plan update, has there been an identification of any significant cultural resources in the Annexation Territory or the transmission line study area?

- Section VI—Geology and Soils

During your General Plan update, has there been identification of any geologic constraints that would inhibit construction of the proposed transmission line and substation?

- Section VII—Hazards and Hazardous Materials

What regulations has your agency developed that can be applied to avoid hazards and hazardous materials impacts as a result of the project?

- Section IX—Land Use and Planning

What regulations, plans, or concerns do you have that may be pertinent to the proposed annexation or the selection of the final substation site and transmission line route?

- Section XI—Noise

Please send us your current noise ordinance and/or noise criteria.

- Section XII—Population and Housing

Please provide us with any insights you may have regarding secondary impacts, given the potential for inducement of growth as a result of a decrease in electric rates.

Airport Land Use Commission for Yolo County

- Section VII—Hazards and Hazardous Materials

What airport land-use regulations should be considered in analyzing the possible location of the proposed transmission lines and substations in the vicinity of local airports?

Natomas Basin Conservancy

- Section IV—Biological Resources

Please advise us of any sensitive species or habitat present in your Habitat Conservation Plan that might be affected by construction of electric facilities.

- Section IX—Land Use and Planning

Please advise us of any sensitive species or habitat present in your Habitat Conservation Plan that might be affected by annexation or the selection of the transmission line route.

Sacramento Area Council of Governments

- Section XII—Population and Housing

Please provide us with any insights you may have regarding secondary impacts, given the potential for inducement of growth as a result of decrease in electric rates?

Exhibit B

Project Information

Following are the project description, location, and related information regarding the proposed project.

Project Title

Amendment of the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) and Annexation by SMUD of the Cities of West Sacramento, Davis and Woodland and Portions of Unincorporated Areas of Yolo County

Lead Agency Name and Address

Sacramento Local Agency Formation Commission (LAFCo)
1112 I Street, Suite 100
Sacramento, CA 95814

Contact Person and Telephone Number

Peter Brundage, Executive Officer
(916) 874-6458

Project Location

The project location (Sphere of Influence [SOI] Amendment and Annexation Territory) includes the City of West Sacramento; the City of Woodland; the City of Davis (except for the University of California at Davis); and portions of unincorporated Yolo County between and surrounding those Cities. The proposed SOIs for SMUD and the cities in the proposed Annexation Territory are shown on Attachment A.

The regional location of the Annexation Territory is shown on Attachment B (Regional Location Map). The precise location and boundaries of the Annexation Territory are shown on Attachment C (Project Location Map).

Project Sponsor's Name and Address

Arlen Orchard, General Counsel
Sacramento Municipal Utility District
6201 S Street
Sacramento, CA 95817

General Plan Designation

Various designations from the general plans of the City of West Sacramento; the City of Woodland; the City of Davis; portions of unincorporated Yolo County between and surrounding those cities; portions of Sacramento County; and potentially southern Sutter County.

Zoning

Various designations from the Zoning Ordinances of the City of West Sacramento; the City of Woodland; the City of Davis; portions of unincorporated Yolo County between and surrounding those cities; portions of Sacramento County; and potentially southern Sutter County.

Description of Project

In general, the project consists of:

- Amendment of SMUD’s SOI to include the Annexation Territory (see Attachment A).
- Annexation of an approximately 212 square-mile area of Yolo County, including the cities of West Sacramento, Davis (with the exception of the University of California at Davis) and Woodland, and certain unincorporated areas of Yolo County between and surrounding the cities (hereinafter referred to as the “Annexation Territory”) into the SMUD service area for the purpose of replacing Pacific Gas and Electric (PG&E) as the provider of electric service (see Attachments B and C).
- SMUD’s acquisition and operation of the existing PG&E electrical facilities serving the Annexation Territory.

The project’s objectives are to integrate the Annexation Territory into the existing SMUD electrical system and to provide customers in the Annexation Territory with the potential for lower rates, local agency control and citizen participation in energy decision-making, and improved electric service reliability and customer service.

This Program EIR will analyze the potential impacts of the proposed project at a program level. The program-level assessment of the proposed project will include:

- The potential impacts to the Environmental Factors listed on Page 2 of this NOP;
- The potential impacts of SMUD extending its existing services to the Annexation Territory;
- The potential impacts related to the reconfiguration of SMUD’s transmission system and PG&E’s transmission and distribution systems;
- Potential changes in the operation of existing facilities, including generation resources such as the hydro, cogeneration, and wind facilities, among others; and
- Potential secondary impacts related to SMUD’s electrical grid operation, energy supply, and system capacity.

This Program EIR also will provide the most current information regarding the installation of new electrical facilities that are required for the proposed annexation. Not all of these new facilities have been specifically sited at this time. Where the exact location for the proposed electrical facilities is unknown at this time, the Program EIR includes a study area for the proposed facility. Following the approval of the SOI amendment/annexation action, project specific environmental assessments will be completed to analyze the project-level site alternatives for the new electrical facilities.

Agencies are asked to respond at this time to questions pertaining to both the SOI amendment/annexation action and the proposed new electrical facilities.

The proposed annexation requires the installation of the following electrical facilities.

- A new 115,000-volt (115-kilovolt [kV]) transmission line between PG&E's existing Rio Oso/Woodland 115-kV transmission line north of the City of Woodland to SMUD's existing Elverta Substation (approximately 15 to 18 miles, depending on final route selection). The exact route has not been determined at this time. A transmission line study area will be reviewed as part of the Program EIR. The transmission line study area includes portions of Sacramento, Sutter, and Yolo Counties. As noted above, a future environmental assessment of transmission line routing alternatives will be conducted after the approval of the proposed annexation. (See Attachment H¹, Figure 1, for the location of the transmission line study area.)
- Reconstruction of an existing SMUD 115-kV transmission line from Power Inn Road east to SMUD's Hedge Substation (2.5 miles). The existing transmission line lattice towers will be replaced by steel poles. Three additional overhead wires will be added to the existing line, bringing the total number of wires to nine, in addition to one fiber optic cable. (See Attachment H, Figure 2.)
- Interconnection of existing PG&E lines to SMUD lines near SMUD's North City Substation; these lines are adjacent to one another. (See Attachment H, Figure 3.)
- A new substation, the Willow Slough Substation, which will be located near an existing PG&E 115-kV line between Davis and Woodland, in the vicinity of the intersection of Road 102 and Road 27. The exact location of the substation has not been determined at this time. A substation study area will be reviewed as part of the Program EIR. As already noted, a future environmental assessment of substation site alternatives will be conducted after the approval of the proposed annexation. (See Attachment H, Figure 4, for the Substation Study Area.)
- Possible "reconductoring" (i.e., replacement of existing overhead wires with new slightly larger diameter overhead wires) to increase the electrical load-carrying capacity of sections of acquired PG&E lines. The application for annexation identified several facilities that may require reconductoring. Currently, the proposed reconductoring consists of one existing 115-kV transmission line and several existing 12-kV distribution lines. The 115-kV project consists of reconductoring the existing West Sacramento Substation to Davis Substation transmission line. PG&E already has identified the need for this project and has current plans to complete this project in 2005–2006, regardless of the proposed annexation. Therefore, this work may be completed prior to the proposed annexation. Selecting which sections of existing 12-kV lines may require reconductoring is dependent on the analysis of PG&E operational data not yet provided. After the approval of the annexation, and when the data are available, a complete 12-kV reconductoring list will be developed, and SMUD will perform any necessary environmental assessments at that time.

Surrounding Land Uses and Setting (briefly describe the project's surroundings)

The Annexation Territory is surrounded by rural and urban development on relatively flat topography. The remaining portion of Yolo County lies to the north, south, and west of the Annexation Territory. Sacramento County is to the east, Solano County is to the southwest, and Sutter County is to the northeast of the Annexation Territory.

¹ The attachments used in this NOP are taken from the annexation application submitted to LAFCo for the proposed project. For consistency, when an attachment from the LAFCo application is reused in the NOP, the letter designation for the attachments will remain the same as those used in the application. Not all attachments from the application will be used in the NOP. Therefore, the attachment letter designations in the NOP will not be in alphabetical order, nor will all letters in a sequence be used.

Other Public Agencies Whose Approval May Be Required (e.g., permits, financing approval, or participation agreement)

Approval of the SOI Amendment/Annexation Action and the Program EIR

- Sacramento Local Agency Formation Commission

Subsequent Project-Level Electrical Facility CEQA Review and Approval

- Approval required from SMUD, Sacramento County, and Yolo County.
- Potential for approval or permitting, or agencies with a pertinent concern:
 - Airport Land Use Commission for Sacramento County
 - Airport Land Use Commission for Sutter County
 - Airport Land Use Commission for Yolo County
 - California Department of Fish and Game, Central Sierra Region 2
 - California Department of Forestry
 - California Department of Transportation, District 3
 - California Regional Water Quality Control Board, Central Valley
 - California State Lands Commission
 - Federal Aviation Administration
 - Sacramento Metropolitan Air Quality Management District
 - Sutter County
 - U.S. Army Corps of Engineers
 - U.S. Coast Guard
 - U.S. Fish and Wildlife Service, Region 1
 - Yolo-Solano Air Quality Management District

Exhibit C

Environmental Issues Discussion

Following are the probable/potential environmental effects of the project.

I. AESTHETICS

The SOI amendment/annexation action will not have a direct impact on aesthetics at the program level.

The proposed subsequent transmission and substation facility additions and modifications may occur in rural areas of the Annexation Territory, Sutter County, or Sacramento County, thereby potentially affecting designated scenic resources, such as highways and vistas. Most existing SMUD substations, similar to the one proposed for the Annexation Territory, have either little or no lighting. If lighting is installed, the effects of the lighting will be localized to the substation location. **Due to these potential impacts, aesthetic impacts will be discussed in the Program EIR.**

Specific Questions/Issues Addressed to Specific Agencies:

- **California Department of Transportation, District 3:** Are there any state scenic highways in the Annexation Territory or in the transmission line study area?
- **Sutter County Planning Department:** Does your agency have any General Plan policies regarding the protection of scenic resources?
- **Yolo County Planning Department:** Does your agency have any General Plan policies regarding the protection of scenic resources?
- **Sacramento County Planning Department:** Does your agency have any General Plan policies regarding the protection of scenic resources?

II. AGRICULTURE RESOURCES

The SOI amendment/annexation action will not have a direct impact on agricultural resources at the program level.

The placement of proposed subsequent transmission and substation facilities may occur in rural areas where agricultural land is present. However, these facilities will have relatively small footprints and agricultural activities can continue under the overhead wires and near the structures and foundations.

The expected reduction in agriculture electric service rates, as a result of the annexation, may have secondary impacts on Annexation Territory irrigation practices. In addition, many farmers in the Annexation Territory use diesel motors to operate their irrigation pumps. Efforts are underway by regulating agencies to transition farmers back to electric pumps to reduce air emissions from the diesel motors. **Therefore, a focused discussion of these potential impacts will be included in the Program EIR.**

Specific Questions/Issues Addressed to Specific Agencies:

- **City of Sacramento Planning Department:** Are there any agricultural issues pertaining to Williamson Act land or the conversion of farmland in the transmission line study area that your department would recommend be discussed in the Program EIR?

- **Sacramento County Planning Department:** Are there any agricultural issues pertaining to Williamson Act land or the conversion of farmland in the transmission line study area within Sacramento County that your department would recommend be discussed in the Program EIR?
- **Sutter County Planning Department:** Are there any agricultural issues pertaining to Williamson Act land or the conversion of farmland in the transmission line study area within Sutter County that your department would recommend be discussed in the Program EIR?
- **Yolo County Planning Department:** Are there any agricultural issues pertaining to Williamson Act land or the conversion of farmland in the Annexation Territory that your department would recommend be discussed in the Program EIR?

III. AIR QUALITY

The SOI amendment/annexation action will not have a direct impact on air quality at the program level.

Sacramento County and Yolo County are designated as nonattainment for specific ambient air quality standards at both the state and federal levels. The emissions from temporary construction activities as a result of the project might contribute to existing violations of ambient air quality standards. However, these activities would be only short-term. A substantial emission of air pollutants is not expected to be generated during project operation.

The changes in generation supply resources when SMUD replaces PG&E as the electric service provider may have a secondary impact on air quality. No new power plants are planned for the region as a result of the proposed annexation. The electric demand will essentially be unchanged, except for current growth estimates and the attempt to encourage the use of electric irrigation pumps rather than the existing diesel irrigation pumps. As discussed in Agriculture Resources, reduced agriculture electric service rates may induce the replacement of diesel motor irrigation pumps with electric irrigation pumps and therefore reduce the resultant air emissions. **Due to these potential impacts, a focused discussion on air quality will be included in the Program EIR.**

Specific Questions/Issues Addressed to Specific Agencies:

- **Sacramento Metropolitan Air Quality Management District:** Do you have air quality concerns related to the project other than defining the temporary construction air quality mitigation measures?
- **Yolo-Solano Air Quality Management District:** Do you have air quality concerns related to the project other than defining the temporary construction air quality mitigation measures?
- **Feather River Air Quality Management District:** Do you have air quality concerns related to the project other than defining the temporary construction air quality mitigation measures?

IV. BIOLOGICAL RESOURCES

The SOI amendment/annexation action will not have a direct impact on biological resources at the program level.

The proposed subsequent transmission and substation facilities may have an impact on threatened or endangered wildlife species or habitats or federally protected wetlands that might be present in the Annexation Territory and transmission line study area.

In Sacramento and Yolo County, the Natomas Basin Conservancy District serves as plan operator for the Natomas Basin Habitat Conservation Plan. It acquires and manages habitat land for the benefit of the 22 "special status" species covered under the Plan. A preliminary draft of the Yolo County Habitat Conservation Plan has been prepared recently; however, it has not yet been adopted. There are no other known adopted plans affecting the Annexation Territory or transmission line study area. The Program EIR will address the project's conformance with these plans and criteria to avoid or mitigate potential impacts. **Due to these potential impacts, a focused discussion on biological resources will be included in the Program EIR.**

Specific Questions/Issues Addressed to Specific Agencies:

- **California Department of Fish and Game, Central Sierra Region 2:** Please advise us of any sensitive species or habitat present in the Annexation Territory and transmission line study area that are not included in commonly available databases.
- **Sacramento County Planning Department:** Have the technical studies supporting your General Plan update identified any rare or endangered species or habitat present in the transmission line study area inside Sacramento County, beyond those identified in commonly available databases?
- **Sutter County Planning Department:** Have the technical studies supporting your General Plan update identified any rare or endangered species or habitat present in the transmission line study area inside Sutter County, beyond those identified in commonly available databases?
- **City of Sacramento Planning Department:** Have the technical studies supporting your General Plan update identified any rare or endangered species or habitat present in the transmission line study area inside Sacramento County, beyond those identified in commonly available databases?
- **Yolo County Planning Department:** Please advise us on the current status of the County's adoption of the Yolo County Habitat Conservation Plan.
- **Natomas Basin Conservancy:** Please advise us of any sensitive species or habitat present in your Habitat Conservation Plan that might be affected by construction of electric facilities.

V. CULTURAL RESOURCES

The SOI amendment/annexation action will not have a direct impact on cultural resources at the program level.

The proposed transmission and substation facilities may have an impact on cultural resources in the Annexation Territory and the transmission line study area. **Due to these potential impacts, focused discussion on cultural resources will be included in the Program EIR.**

Specific Questions/Issues Addressed to Specific Agencies:

- **City of Sacramento Planning Department:** During your General Plan update, has there been an identification of any significant cultural resources in the transmission line study area?
- **Sacramento County Planning Department:** During your General Plan update, has there been an identification of any significant cultural resources in the transmission line study area in Sacramento County?

- **Sutter County Planning Department:** During your General Plan update, has there been an identification of any significant cultural resources in the transmission line study area in Sutter County?
- **Yolo County Planning Department:** During your General Plan update, has there been an identification of any significant cultural resources in the Annexation Territory or the transmission line study area?

VI. GEOLOGY AND SOILS

The SOI amendment/annexation action will not have geology and soils impacts at the program level.

It is not expected that the proposed electrical facilities will result in substantial soil erosion or loss of topsoil, given the relatively small size of the footprints that the facilities will be occupying. The project will not involve the development or use of septic tanks or alternative wastewater disposal systems. SMUD has extensive electric facilities in Sacramento County and generation facilities in Solano, El Dorado, and Placer Counties. Given existing utility design standards and practices, it is not expected that there will be any impacts on geology or soils or that the local geology or soils will impact the proposed electric facilities. **Therefore, potential geology and soil impacts will not be discussed in the Program EIR.**

Specific Questions/Issues Addressed to Specific Agencies:

- **Sacramento County Planning Department:** During your General Plan update, has there been an identification of any geologic constraints that would inhibit construction of the proposed transmission lines?
- **Sutter County Planning Department:** During your General Plan update, has there been an identification of any geologic constraints that would inhibit construction of the proposed transmission line?
- **Yolo County Planning Department:** During your General Plan update, has there been an identification of any geologic constraints that would inhibit construction of the proposed transmission line and substation?

VII. HAZARDS AND HAZARDOUS MATERIALS

When the proposed SOI amendment/annexation action is approved, SMUD will be responsible for the operation and maintenance of the electrical facilities in the Annexation Territory. Therefore, SMUD will assume responsibility for the management of hazards and hazardous material normally associated with an electrical utility. SMUD has extensive electric facilities in Sacramento County and generation facilities in Solano, El Dorado, and Placer Counties. SMUD will incorporate applicable Yolo County regulations into its current hazards and hazardous materials procedures and practices and extend them to the proposed Annexation Territory. Therefore, there may be potential impacts to the existing hazards and hazardous materials procedures and practices in the Annexation Territory.

The installation of the transmission and/or substation facilities may create possible hazards and involve the use of hazardous materials, which might create a hazard to the public. In addition, the proposed transmission line and substation study areas may be in the vicinity of existing or proposed schools.

Pursuant to Government Code Section 65962.5, the Cortese List was consulted in July 2005. The Cortese List reported multiple hazardous waste sites in both Sacramento and Yolo Counties where the Annexation Territory is located. The Program EIR will develop locational criteria to avoid placement of the proposed transmission and substation facilities in these affected areas.

The Annexation Territory is near the Sacramento International Airport and numerous smaller airstrips. The Program EIR will develop operational criteria to avoid placing the proposed transmission and substation facilities in conflict with these aviation facilities. The Annexation Territory contains rural areas of mostly agricultural lands, where wildland fires present a low hazard to the proposed transmission and substation facilities. **Due to these potential impacts, focused discussion on hazards and hazardous materials will be included in the Program EIR.**

Specific Questions/Issues Addressed to Specific Agencies:

- **Sacramento County Health Department:** Do you foresee any actions necessary to avoid hazards and hazardous materials impacts beyond SMUD's current compliance with Sacramento County regulations?
- **Sacramento County Airport Land Use Commission:** What airport land-use regulations should be considered in analyzing the possible location of the proposed transmission lines and substations in the vicinity of local airports?
- **Sutter County Health Department:** What regulations has your agency developed that can be applied to avoid hazards and hazardous materials impacts as a result of the project?
- **Sutter County Airport Land Use Commission:** What airport land-use regulations should be considered in analyzing the possible location of the proposed transmission lines and substations that may be located in the vicinity of local airports?
- **Yolo County Health Department:** What regulations has your agency developed that can be applied to avoid hazards and hazardous materials impacts as a result of the project?
- **Yolo County Airport Land Use Commission:** What airport land-use regulations should be considered in analyzing the possible location of the proposed transmission lines and substations in the vicinity of local airports?
- **California Department of Transportation, Division of Aeronautics:** What air traffic rules and regulations should be considered in analyzing the proposed SOI amendment/annexation and construction of new electric facilities?
- **Federal Aviation Administration:** What air traffic rules and regulations should be considered in analyzing the proposed SOI amendment/annexation and construction of new electric facilities?

VIII. HYDROLOGY AND WATER QUALITY

The SOI amendment/annexation action will not have direct impacts on hydrology and water quality at the program level.

Given the limited nature of the construction necessary for the proposed transmission line and substation facilities within the Annexation Territory and the transmission line study area, the construction of electrical facilities is not likely to generate significant hydrologic or water quality impacts. The project also will not involve the construction of any housing.

Since the proposed locations for the transmission line and substation facilities are unknown at this time, it cannot be determined whether the proposed facilities will be located in 100-year floodplains, where structures might be susceptible to flood damage. However, in the event that they are located in such a floodplain, this infrastructure will leave relatively small footprints, resulting in minimal impedance of existing flood flows. The project is not located in an area that could experience inundation from seiches, tsunamis, or mudflows.

SMUD is not proposing to operate its Upper American River Project (UARP) hydroelectric facility in El Dorado County differently as a result of the proposed annexation. As discussed in SMUD's annexation application submitted to LAFCo, the Annexation Territory will not receive generation supply from SMUD's UARP facility. **The Program EIR will include a focused discussion on any possible relationship between SMUD's operation of the UARP facility and the proposed annexation. If a relationship is established, the potential impacts on hydrology and water quality related to the UARP will be included in the Program EIR.**

As discussed in Agriculture Resources, the reduction in agriculture electric service rates may have an impact on irrigation practices in the Annexation Territory. **If this potential impact is significant, a focused discussion on secondary impacts on hydrology and water quality related to electric rates will be included in the Program EIR.**

Specific Questions/Issues Addressed to Specific Agencies:

- No specific questions/issues are addressed to specific agencies.

IX. LAND USE AND PLANNING

The SOI amendment/annexation action will not have land use and planning impacts at the program level.

It is not expected that the proposed electrical facilities will physically divide an established community. It is anticipated that the General Plans for the affected cities and counties will accommodate the construction of public utilities, such as those proposed by the project to meet service needs. Further review of these plans will be included in the Program EIR.

In Sacramento County, the Natomas Basin Conservancy serves as plan operator for the Natomas Basin Habitat Conservation Plan. It acquires and manages habitat land for the benefit of the 22 "special status" species covered under the Plan. A preliminary draft of the Yolo County Habitat Conservation Plan has been prepared recently; however, it has not yet been adopted. There are no other adopted plans affecting the Annexation Territory. The Program EIR will address the project's conformance with these plans. **Due to these potential impacts, focused discussion on land use and planning will be included in the Program EIR.**

Specific Questions/Issues Addressed to Specific Agencies:

- **City of Davis Planning Department:** What regulations, plans, or concerns do you have that may be pertinent to the proposed annexation or the selection of the final substation site and transmission line route?
- **City of Sacramento Planning Department:** What regulations, plans, or concerns do you have that may be pertinent to the proposed annexation or the selection of the final substation site and transmission line route?

- **City of West Sacramento Planning Department:** What regulations, plans, or concerns do you have that may be pertinent to the proposed annexation or the selection of the final substation site and transmission line route?
- **City of Woodland Planning Department:** What regulations, plans, or concerns do you have that may be pertinent to the proposed annexation or the selection of the final substation site and transmission line route?
- **Sacramento County Planning Department:** What regulations, plans, or concerns do you have that may be pertinent to the proposed annexation or the selection of the final substation site and transmission line route?
- **Sutter County Planning Department:** What regulations, plans, or concerns do you have that may be pertinent to the proposed annexation or the selection of the final substation site and transmission line route?
- **Yolo County Planning Department:** What regulations, plans, or concerns do you have that may be pertinent to the proposed annexation or the selection of the final substation site and transmission line route?
- **Natomas Basin Conservancy:** Please advise us of any sensitive species or habitat present in your Habitat Conservation Plan that might be affected by the annexation or the selection of the final substation site and transmission line route.

X. MINERAL RESOURCES

The SOI amendment/annexation action will not have mineral resources impacts at the program level.

Proposed transmission and substation facilities might be placed in areas where mineral resources may be present. While no mineral resource extraction proposals are known near the proposed electrical facilities, mineral extraction and gas wells can and do occur adjacent to electrical facilities. In the event of discovery of a rare or valuable resource in the future, temporary or permanent relocation of transmission lines is feasible. **Therefore, mineral resources impacts will not be discussed in the Program EIR.**

Specific Questions/Issues Addressed to Specific Agencies:

- **California Department of Conservation, State Mining and Geology Board:** Does your agency agree that mineral resources will not be significantly affected by this project?

XI. NOISE

The SOI amendment/annexation action will not have noise impacts at the program level.

The proposed transmission and substation facilities might create noise impacts if they were located near residential and other noise-sensitive areas. Appropriate siting criteria and substation equipment specifications will minimize these impacts. Although the Annexation Territory and the transmission line study area will include or be near several large and small airports, the electrical facilities to be constructed in the future to implement the annexation will not introduce new adverse noise exposure to residents and workers. **Due to these potential impacts, a focused discussion on noise will be included in the Program EIR.**

Specific Questions/Issues Addressed to Specific Agencies:

- **City of Davis Planning Department:** Please send us your current noise ordinance and/or noise criteria.
- **City of Sacramento Planning Department:** Please send us your current noise ordinance and/or noise criteria.
- **City of West Sacramento Planning Department:** Please send us your current noise ordinance and/or noise criteria.
- **City of Woodland Planning Department:** Please send us your current noise ordinance and/or noise criteria.
- **Sacramento County Planning Department:** Please send us your current noise ordinance and/or noise criteria.
- **Sutter County Planning Department:** Please send us your current noise ordinance and/or noise criteria.
- **Yolo County Planning Department:** Please send us your current noise ordinance and/or noise criteria.

XII. POPULATION AND HOUSING

The SOI amendment/annexation action will not have direct impacts on Population and Housing at the program level.

The proposed electric facilities will not involve any changes in population or housing. Rather, the electric facilities are intended to serve existing electric customers as well as the projected growth in the general plans of the relevant jurisdictions.

There may be secondary impacts given that possible inducement of growth, as a result of reduction in electric rates, above the levels currently planned for by the local jurisdiction. **Therefore, the Program EIR will include an analysis of the potential impact of growth inducement. If this potential impact is significant, a focused discussion of secondary impacts on population and housing will be included in the Program EIR.**

Specific Questions/Issues Addressed to Specific Agencies:

- **The cities, counties, and the Sacramento Area Council of Governments:** Please provide us with any insights you may have regarding secondary impacts, given the potential for inducement of growth as a result of a decrease in electric rates.

XIII. PUBLIC SERVICES

The SOI amendment/annexation action will not have a direct impact on fire and police protection, schools, parks, and other public facilities at the program level. However, the loss of fees (i.e., franchise fees and property taxes) currently paid to the local jurisdictions by PG&E may have a secondary impact on the general fund of the affected jurisdictions. As a publicly owned utility, SMUD is exempt from these types of fees. Any shortfall to the affected jurisdictions may result in the delay or elimination of planned infrastructure improvements or a reduction in public services in the Annexation Territory, or possibly even decay or blight. The annexation application includes provisions for a surcharge on electric rates in the Annexation Territory to mitigate the potential impacts. **A focused discussion of these potential impacts will be presented in the Program EIR.**

There may be secondary impacts given that possible inducement of growth, as a result of reduction in electric rates, above the levels currently planned for by the local jurisdiction. **Therefore, the Program EIR will include an analysis of the potential impact of growth inducement. If this potential impact is significant, a focused discussion of secondary impacts on public services will be included in the Program EIR.**

The proposed electric facilities will not involve any changes in population that will increase the demand for schools and parks, compared to projections in general plans by the jurisdictions. The proposed electric facilities will require appropriate police and fire protection services of the various jurisdictions. However, the addition of the proposed electric facilities will not require additional protection services above those currently provided for the existing electrical facilities in the Annexation Territory. **A focused discussion of these potential impacts will be presented in the Program EIR.**

Specific Questions/Issues Addressed to Specific Agencies:

- No specific questions/issues are addressed to specific agencies.

XIV. RECREATION

The SOI amendment/annexation action will not have a direct impact on recreation at the program level. However, the loss of fees (i.e., franchise fees and property taxes) currently paid to the local jurisdictions by PG&E may have a secondary impact on the general fund of the affected jurisdictions. As a publicly owned utility, SMUD is exempt from these types of fees. Any shortfall to the affected jurisdictions may result in the delay or elimination of planned infrastructure improvements or a reduction in recreation services in the Annexation Territory, or possibly even decay or blight. The annexation application includes provisions for a surcharge on electric rates in the Annexation Territory to mitigate the potential impacts. **A focused discussion of these potential impacts will be presented in the Program EIR.**

SMUD is not proposing to operate its Upper American River Project (UARP) hydroelectric facility in El Dorado County differently as a result of the proposed annexation. As discussed in SMUD's annexation application submitted to LAFCo, the Annexation Territory will not receive generation supply from SMUD's UARP facility. **The Program EIR will include a focused discussion on any possible relationship between SMUD's operation of the UARP facility and the proposed annexation. If a relationship is established, the potential impacts on recreation related to the UARP will be included in the Program EIR.**

There may be secondary impacts given that possible inducement of growth, as a result of reduction in electric rates, above the levels currently planned for by the local jurisdiction. **Therefore, the Program EIR will include an analysis of the potential impact of growth inducement. If this potential impact is significant, a focused discussion of secondary impacts on recreation will be included in the Program EIR.**

Specific Questions/Issues Addressed to Specific Agencies:

- No specific questions/issues are addressed to specific agencies.

XV. TRANSPORTATION/TRAFFIC

The SOI amendment/annexation action will not have transportation or traffic impacts at the program level. However, the loss of fees (i.e., franchise fees and property taxes) currently paid to the local jurisdictions by PG&E may have a secondary impact on the general fund of the affected jurisdictions. As a publicly owned utility, SMUD is exempt from these types of fees. Any shortfall to the affected jurisdictions may result in the delay or elimination of planned infrastructure improvements in the Annexation Territory, or possibly even decay or blight. The annexation application includes provisions for a surcharge on electric rates in the Annexation Territory to mitigate the potential impacts. **A focused discussion of these potential impacts will be presented in the Program EIR.**

There may be secondary impacts given that possible inducement of growth, as a result of reduction in electric rates, above the levels currently planned for by the local jurisdiction. **Therefore, the EIR will include an analysis of the potential impact of growth inducement. If this potential impact is significant, a focused discussion of potential secondary impacts on transportation and traffic will be included in the Program EIR.**

Other than during the initial construction periods, the transmission and substation facilities will not generate transportation and traffic impacts. The transmission line will be sited to avoid impacts to air traffic. **Therefore, the Program EIR will not include a discussion on traffic and transportation impacts related to the installation of new electrical facilities.**

Specific Questions/Issues Addressed to Specific Agencies:

- No specific questions/issues are addressed to specific agencies.

XVI. UTILITIES AND SERVICE SYSTEMS

The SOI amendment/annexation action will result in SMUD replacing PG&E as the electric service provider in the Annexation Territory. This change may result in potential impacts on SMUD's and PG&E's electric utility and service systems. **The Program EIR will include a focused discussion on:**

- **Potential impacts related to the reconfiguration of SMUD's transmission system and PG&E's transmission and distribution systems;**
- **Potential changes in the operation of existing facilities, including generation resources such as the hydro, cogeneration, and wind facilities, among others; and**
- **Potential secondary impacts related to SMUD's electrical grid operation, energy supply, and system capacity.**

There may be secondary impacts given that possible inducement of growth, as a result of reduction in electric rates, above the levels currently planned for by the local jurisdiction. **Therefore, the Program EIR will include an analysis of the potential impact of growth inducement. If this potential impact is significant, a focused discussion of potential secondary impacts on utilities and service systems will be included in the Program EIR.**

XVII. MANDATORY FINDINGS OF SIGNIFICANCE

The SOI amendment/annexation action and the proposed electrical facilities may have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or

animal community, reduce the number or restrict the range of a rare or endangered plant or animal, or eliminate important examples of the major periods of California history or prehistory.

The SOI amendment/annexation action and the installation of the proposed electrical facilities may have the potential for impacts that are individually limited but cumulatively considerable. ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.) In addition, the action could have environmental effects that will cause substantial adverse effects on human beings, either directly or indirectly.

XVIII. REFERENCES

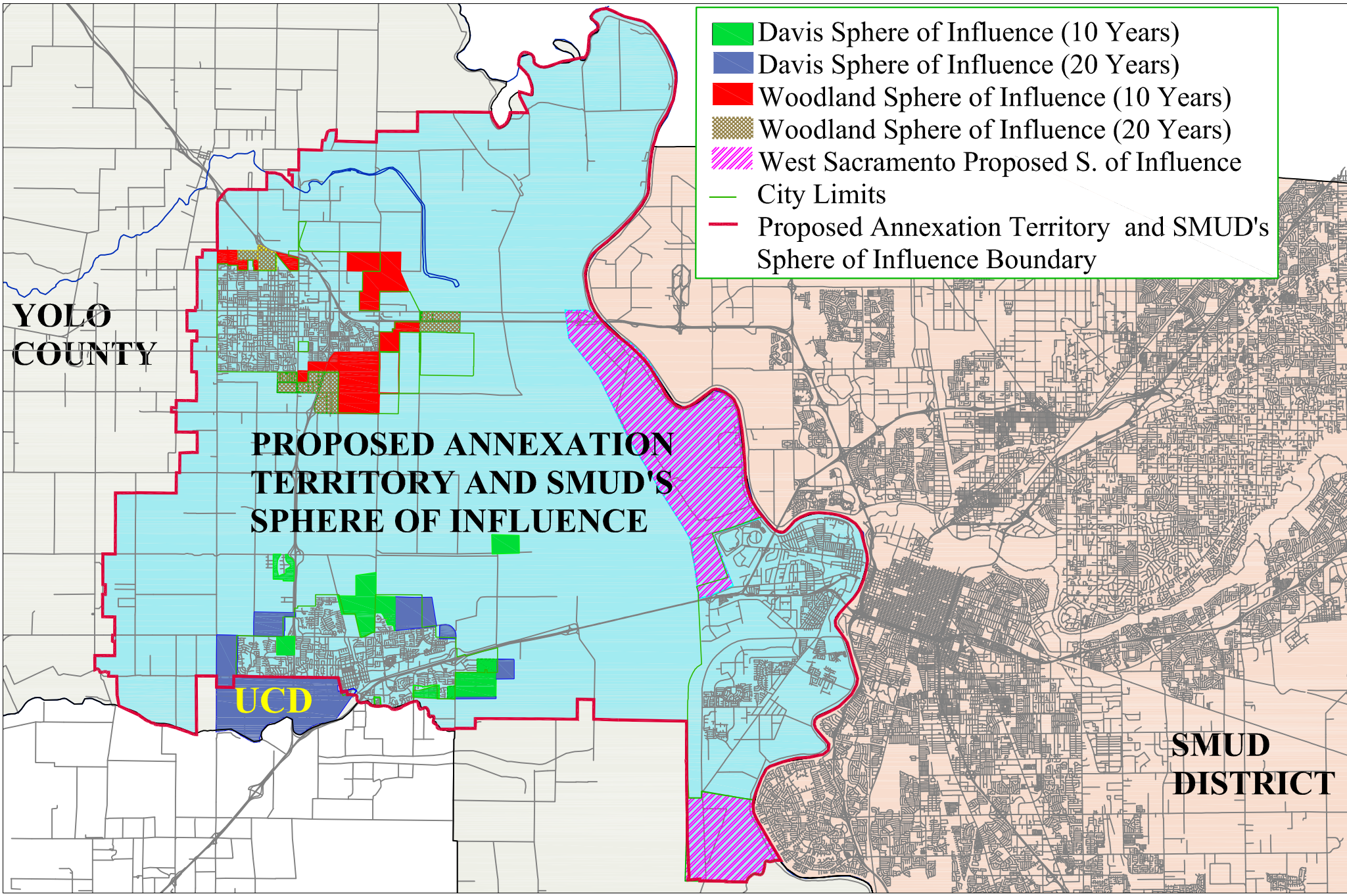
The following references were used in preparing the Environmental Discussion for the Amendment of the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) and Annexation by SMUD of the Cities of West Sacramento, Davis, and Woodland and Portions of Unincorporated Areas of Yolo County.

- California Air Resources Board. <http://www.arb.ca.gov/desig/adm/adm.htm>, accessed July 2005.
- Department of Toxic Substances Control. *Hazardous Waste and Substances Sites (Cortese List)*, http://www.dtsc.ca.gov/database/Calsites/cortese_List.cfm, accessed July 2005.
- EIP Associates. *Preliminary Draft Yolo County Habitat Conservation Plan*. January 2001.
- *SMUD Application for Annexation of the Cities of West Sacramento, Davis, and Woodland, and Unincorporated Areas of Yolo County and Related Sphere of Influence Amendment*.

ENVIRONMENTAL STUDY PREPARED BY:

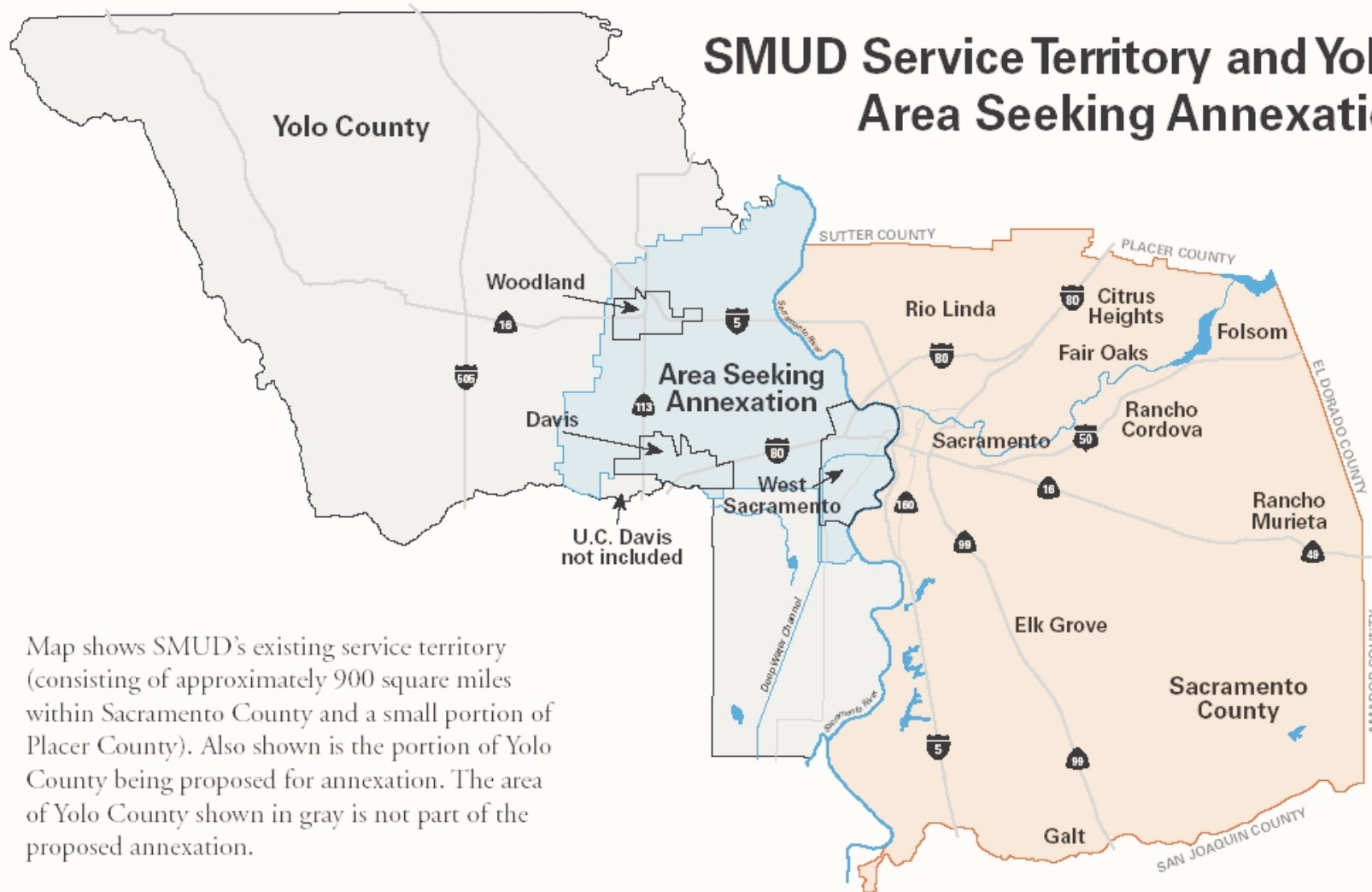
Peter Brundage, Sacramento LAFCo, Executive Office (916) 874-6458
Robert Klousner, Planning Partners, consultant to LAFCo (916) 682-7826
Brian Smith, AICP, URS Corporation, consultant to LAFCo (714) 648-2835
Nick Trifiro, AICP, URS Corporation, consultant to LAFCo (916) 679-2328
Ron Knierim, Environmental Specialist, SMUD (916) 732-7185
Mike Deis, Senior Project Manager, SMUD (916) 732-6259

Attachment A



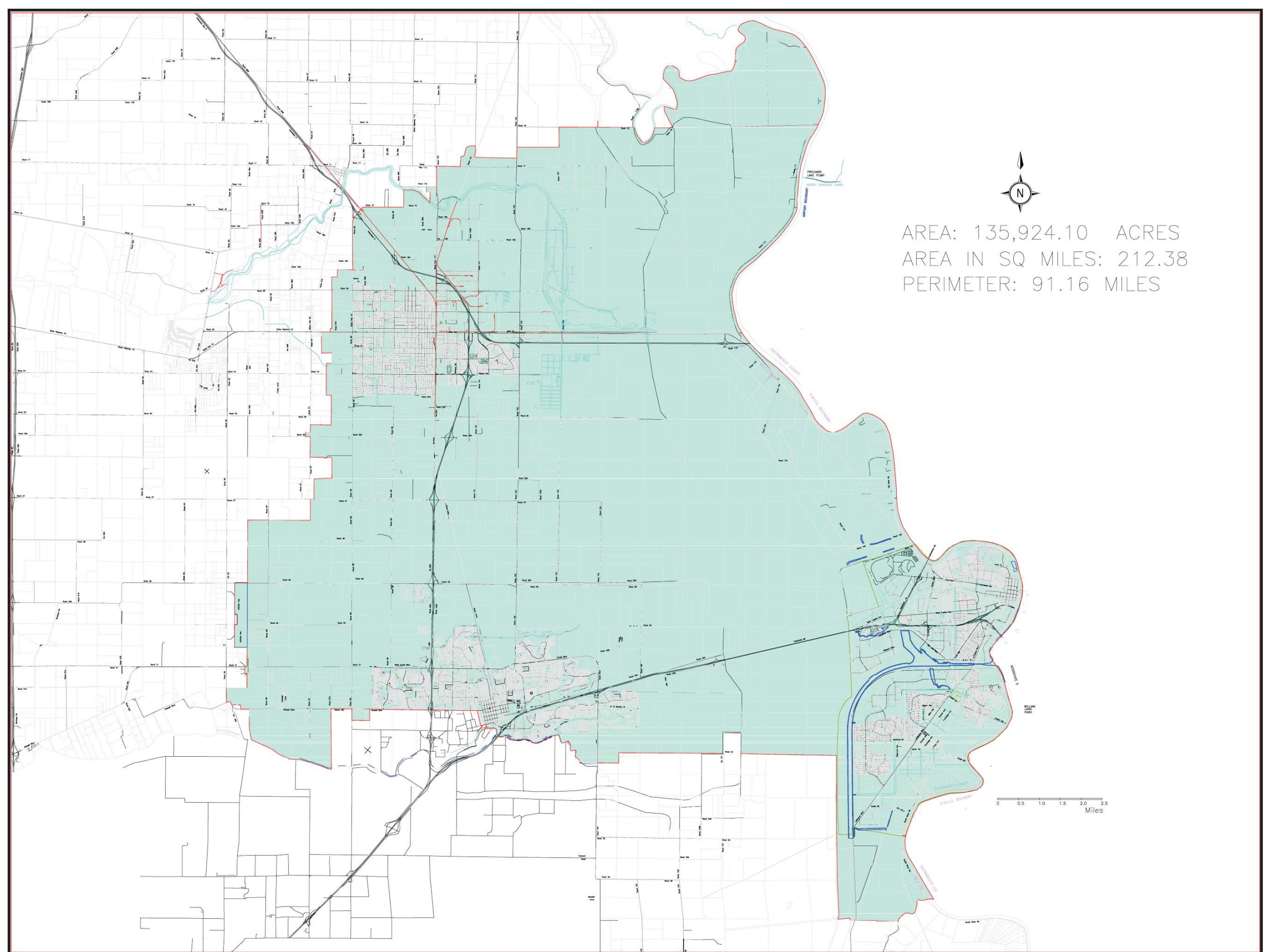
Attachment B

SMUD Service Territory and Yolo County Area Seeking Annexation

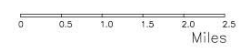


Map shows SMUD's existing service territory (consisting of approximately 900 square miles within Sacramento County and a small portion of Placer County). Also shown is the portion of Yolo County being proposed for annexation. The area of Yolo County shown in gray is not part of the proposed annexation.

Attachment C



AREA: 135,924.10 ACRES
 AREA IN SQ MILES: 212.38
 PERIMETER: 91.16 MILES



SMUD\Yolo Annex\08-05-Yolo-overall-aerial.cdr - VMG 08/16/05 SAC

Attachment D

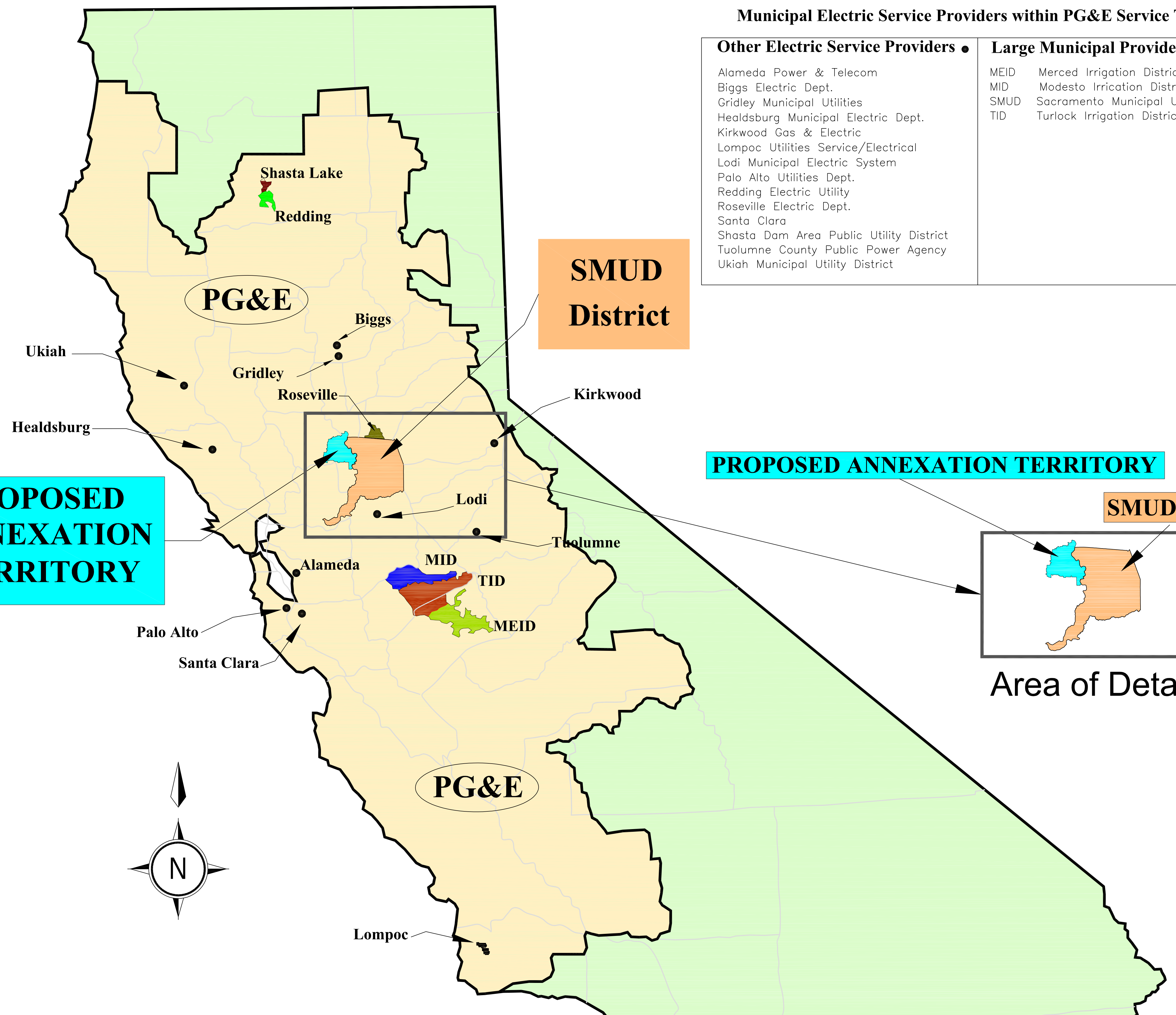
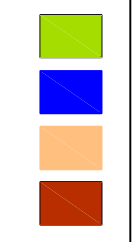
Municipal Electric Service Providers within PG&E Service Territory

Other Electric Service Providers ●

- Alameda Power & Telecom
- Biggs Electric Dept.
- Gridley Municipal Utilities
- Healdsburg Municipal Electric Dept.
- Kirkwood Gas & Electric
- Lompoc Utilities Service/Electrical
- Lodi Municipal Electric System
- Palo Alto Utilities Dept.
- Redding Electric Utility
- Roseville Electric Dept.
- Santa Clara
- Shasta Dam Area Public Utility District
- Tuolumne County Public Power Agency
- Ukiah Municipal Utility District

Large Municipal Providers

- MEID Merced Irrigation District
- MID Modesto Irrigation District
- SMUD Sacramento Municipal Utility District
- TID Turlock Irrigation District

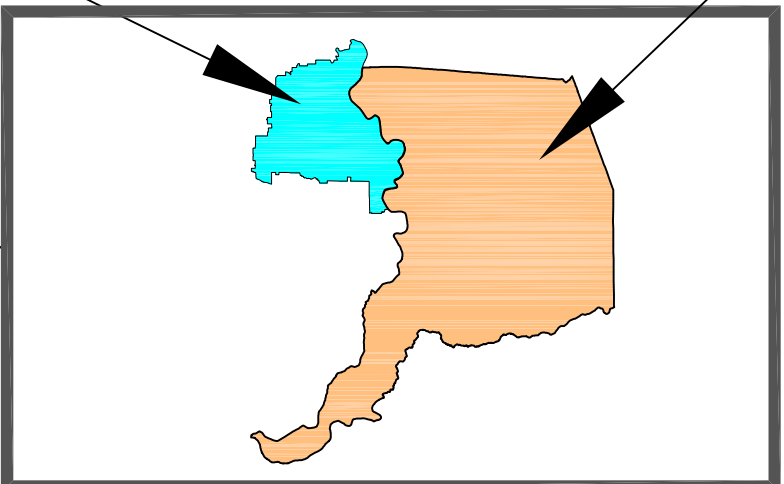


PROPOSED ANNEXATION TERRITORY

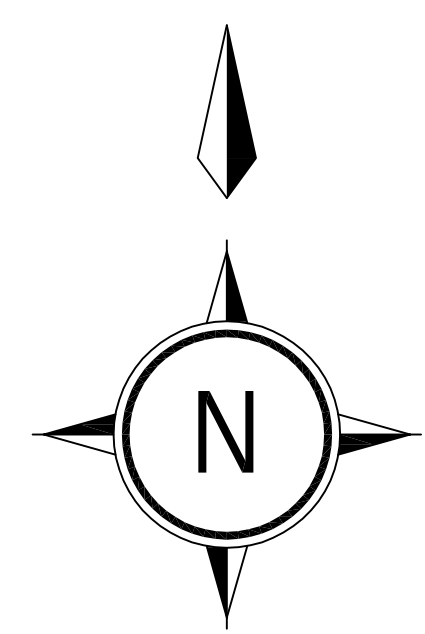
SMUD District

PROPOSED ANNEXATION TERRITORY

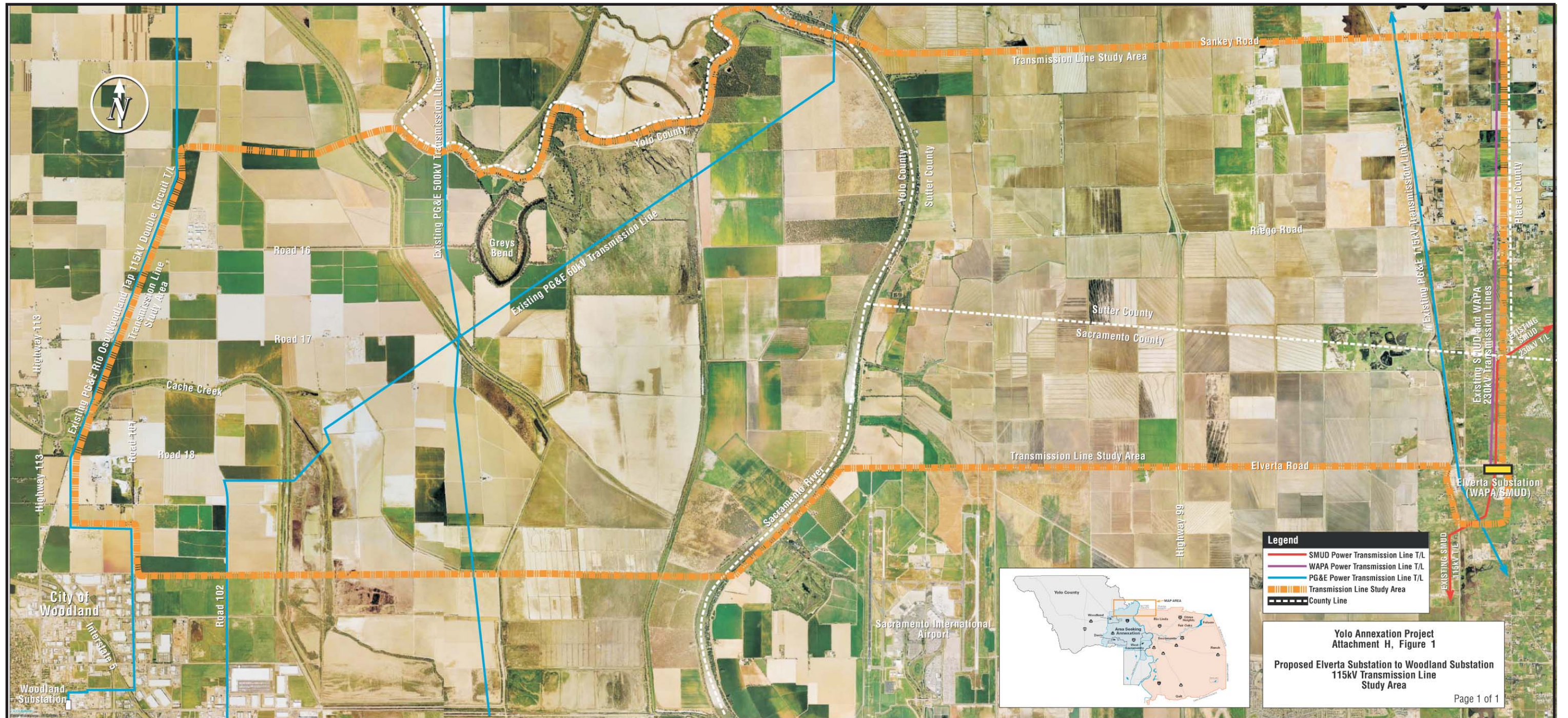
SMUD DISTRICT



Area of Detail



Attachment H
Figure 1



Legend

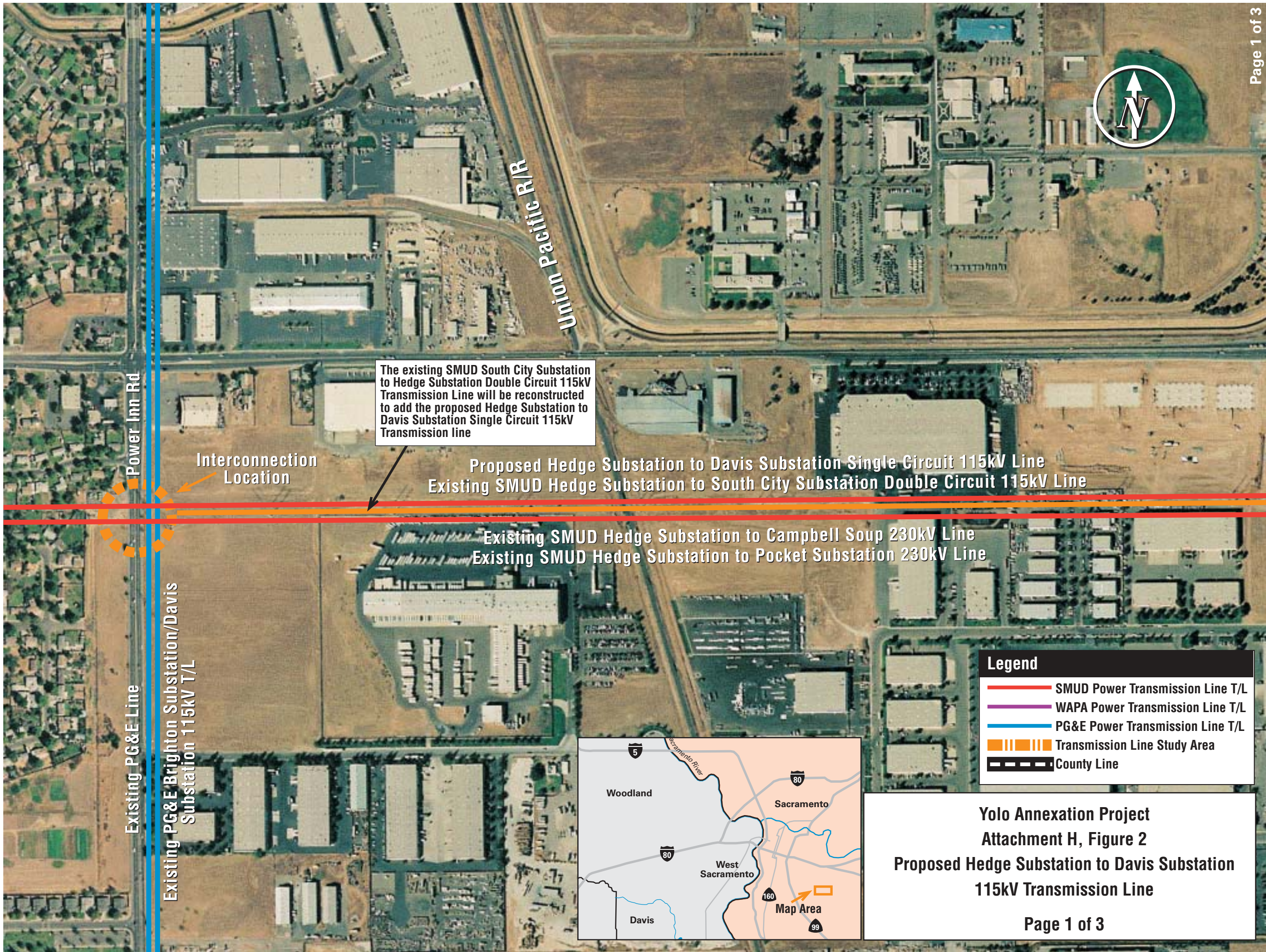
- SMUD Power Transmission Line T/L
- WAPA Power Transmission Line T/L
- PG&E Power Transmission Line T/L
- Transmission Line Study Area
- County Line

**Yolo Annexation Project
Attachment H, Figure 1**

**Proposed Elverta Substation to Woodland Substation
115kV Transmission Line
Study Area**

Page 1 of 1

Attachment H
Figure 2



The existing SMUD South City Substation to Hedge Substation Double Circuit 115kV Transmission Line will be reconstructed to add the proposed Hedge Substation to Davis Substation Single Circuit 115kV Transmission line

Interconnection Location

Proposed Hedge Substation to Davis Substation Single Circuit 115kV Line
 Existing SMUD Hedge Substation to South City Substation Double Circuit 115kV Line

Existing SMUD Hedge Substation to Campbell Soup 230kV Line
 Existing SMUD Hedge Substation to Pocket Substation 230kV Line

Power Inn Rd

Union Pacific R/R

Existing PG&E Line

Existing PG&E Brighton Substation/Davis Substation 115kV T/L

Legend

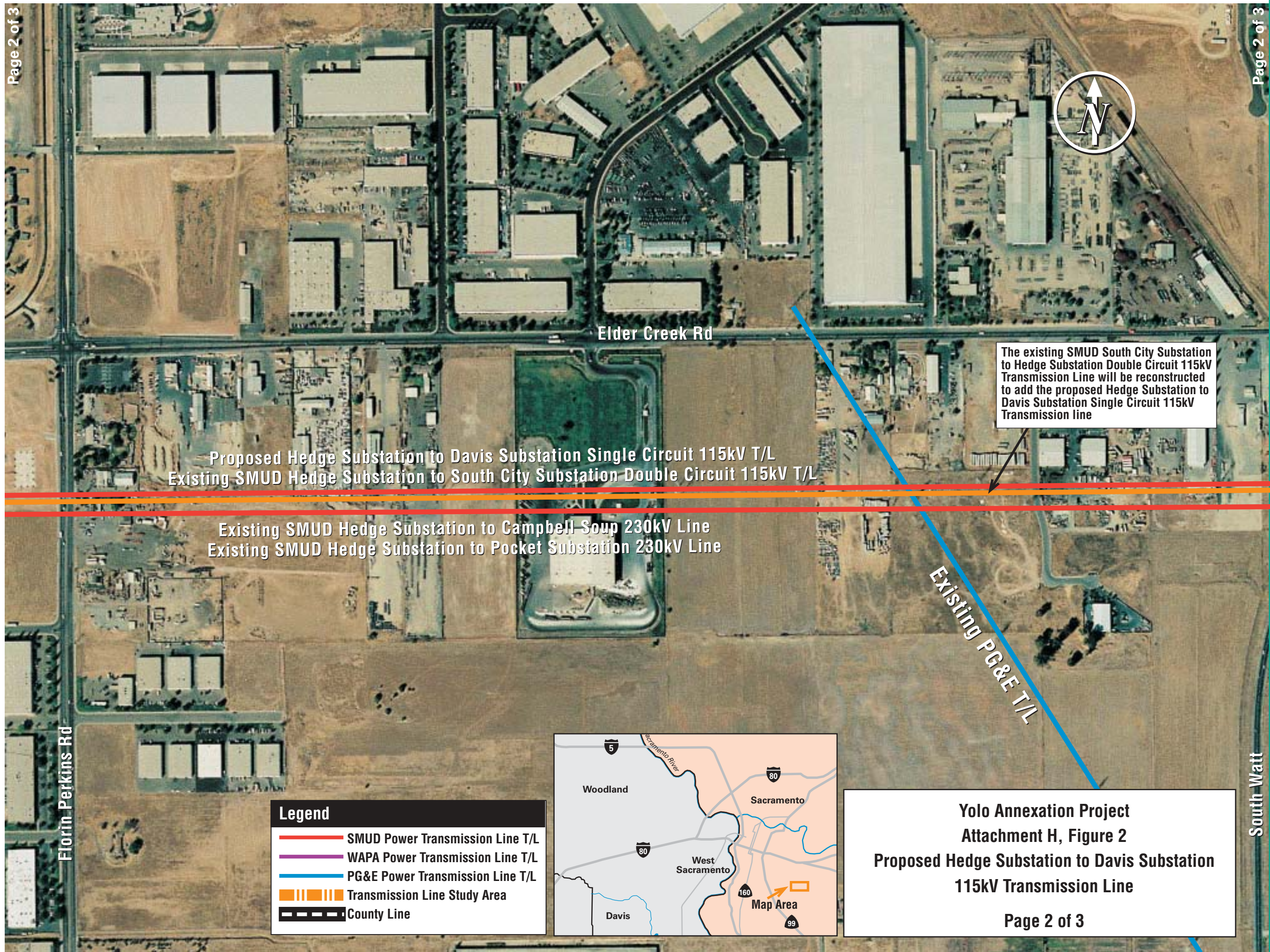
- SMUD Power Transmission Line T/L
- WAPA Power Transmission Line T/L
- PG&E Power Transmission Line T/L
- Transmission Line Study Area
- County Line



**Yolo Annexation Project
 Attachment H, Figure 2
 Proposed Hedge Substation to Davis Substation
 115kV Transmission Line**

Match Line





Proposed Hedge Substation to Davis Substation Single Circuit 115kV T/L
 Existing SMUD Hedge Substation to South City Substation Double Circuit 115kV T/L

The existing SMUD South City Substation to Hedge Substation Double Circuit 115kV Transmission Line will be reconstructed to add the proposed Hedge Substation to Davis Substation Single Circuit 115kV Transmission line

Existing SMUD Hedge Substation to Campbell Soup 230kV Line
 Existing SMUD Hedge Substation to Pocket Substation 230kV Line

Existing PG&E T/L

Legend

- SMUD Power Transmission Line T/L
- WAPA Power Transmission Line T/L
- PG&E Power Transmission Line T/L
- Transmission Line Study Area
- County Line



**Yolo Annexation Project
 Attachment H, Figure 2
 Proposed Hedge Substation to Davis Substation
 115kV Transmission Line**

Page 2 of 3

Florin Perkins Rd

Elder Creek Rd

South Watt

Match Line



The existing SMUD South City Substation to Hedge Substation Double Circuit 115kV Transmission Line will be reconstructed to add the proposed Hedge Substation to Davis Substation Single Circuit 115kV Transmission line

Proposed Hedge Substation to Davis Substation Single Circuit 115kV Line
Existing SMUD Hedge Substation to South City Substation Double Circuit 115kV Line

Existing SMUD Hedge Substation to Campbell Soup 230kV Line
Existing SMUD Hedge Substation to Pocket Substation 230kV Line

Central California Traction R/R

Tokay LN

Hedge Substation

Legend

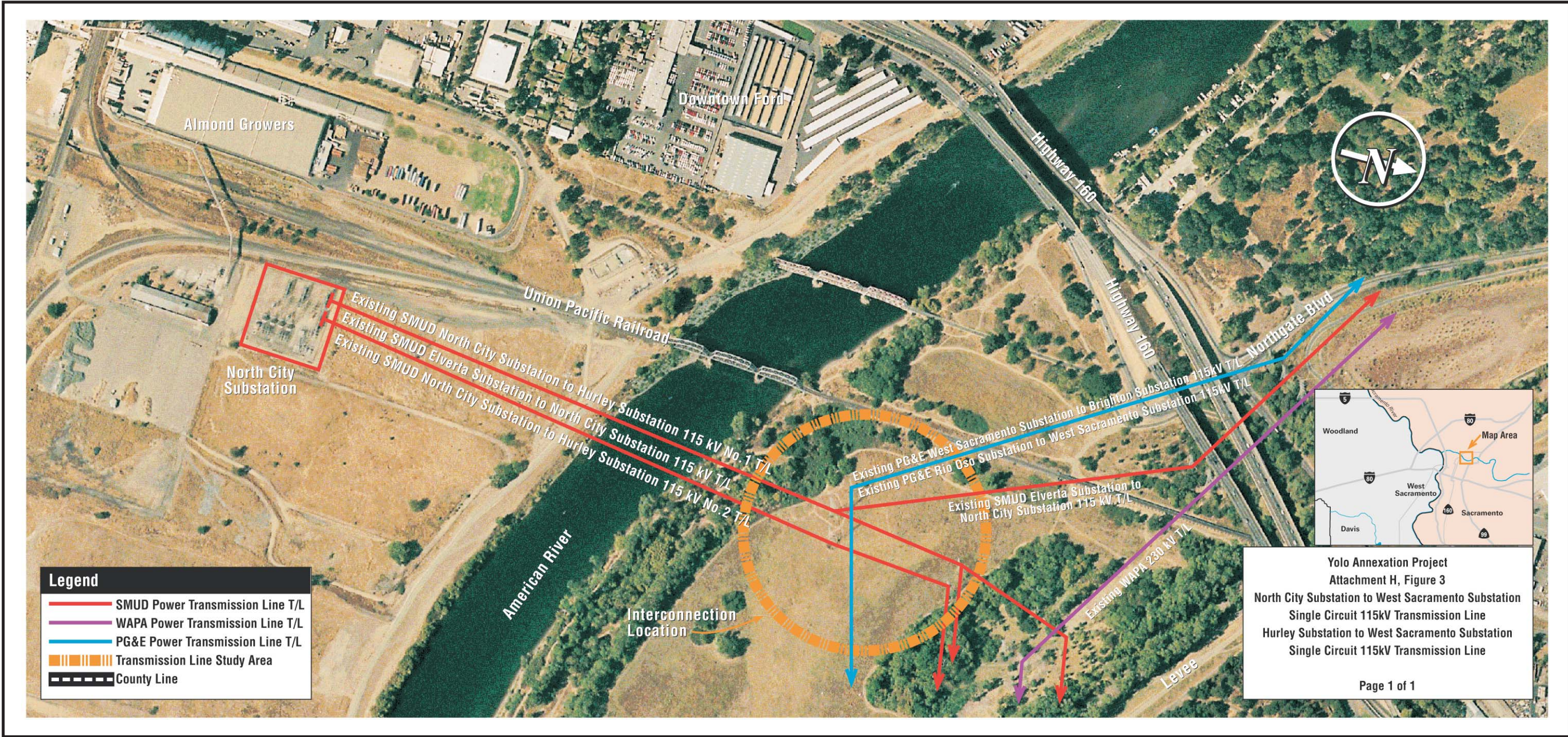
- SMUD Power Transmission Line T/L
- WAPA Power Transmission Line T/L
- PG&E Power Transmission Line T/L
- Transmission Line Study Area
- County Line



**Yolo Annexation Project
Attachment H, Figure 2
Proposed Hedge Substation to Davis Substation
115kV Transmission Line**

Page 3 of 3

Attachment H
Figure 3



Legend

- SMUD Power Transmission Line T/L
- WAPA Power Transmission Line T/L
- PG&E Power Transmission Line T/L
- Transmission Line Study Area
- County Line

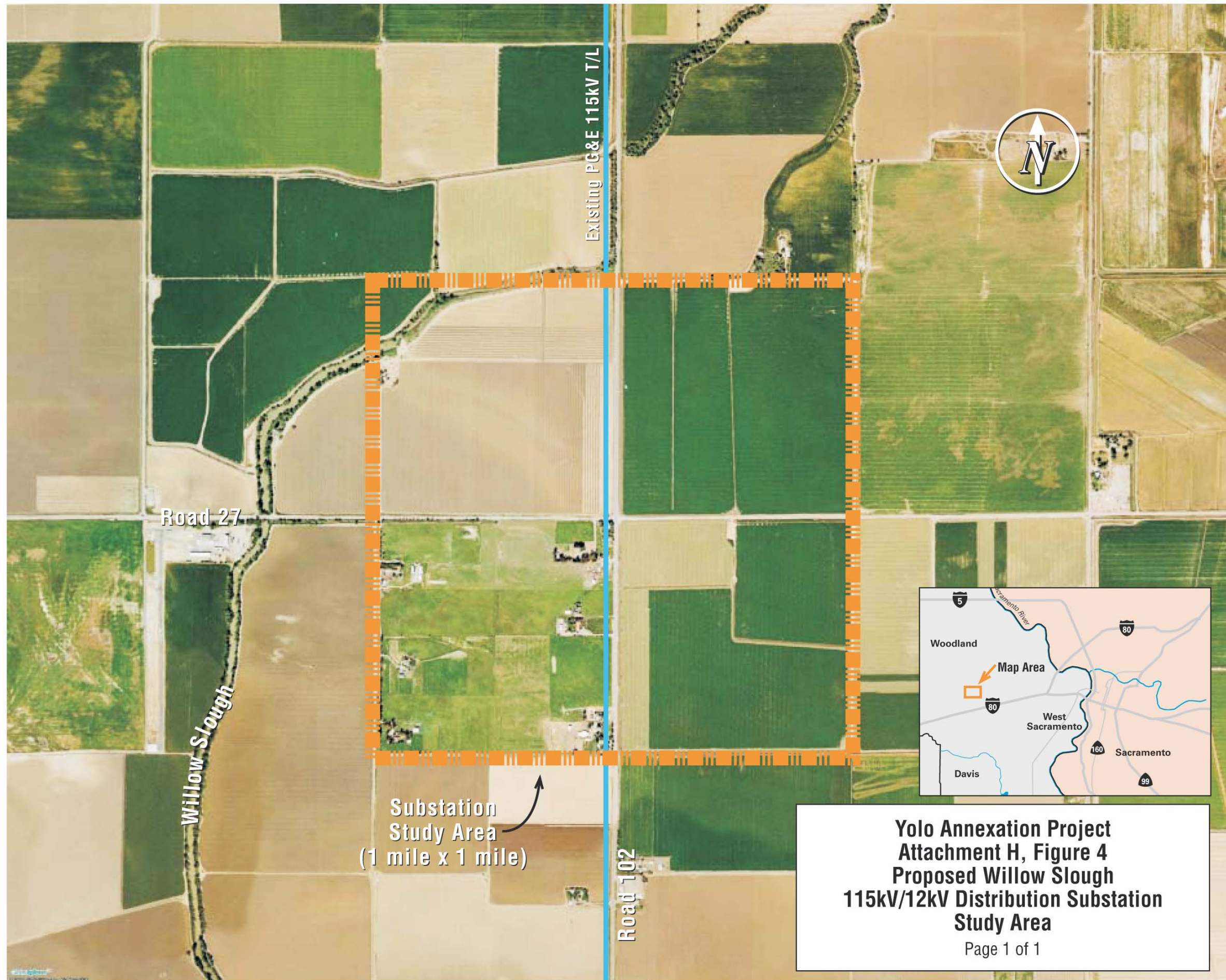
**Yolo Annexation Project
Attachment H, Figure 3**

North City Substation to West Sacramento Substation
Single Circuit 115kV Transmission Line

Hurley Substation to West Sacramento Substation
Single Circuit 115kV Transmission Line

Page 1 of 1

Attachment H
Figure 4



**Yolo Annexation Project
Attachment H, Figure 4
Proposed Willow Slough
115kV/12kV Distribution Substation
Study Area**

List of Responses to Notice of Preparation
SMUD Annexation of Territory in Yolo County (05-05)
SCH# 2005092009

- A. Anne Marie Gold, Sacramento Public Library, 9/9/05
 - B. Dee Dee Jones, State Department of Water Resources, 9/19/05
 - C. Elizabeth Castro Kemper, Yolo County LAFCo, 9/19/05
 - D. Leigh Jordan, California Historical Resources Information System, 9/23/05
 - E. Stephen L. Jenkins, California State Lands Commission, 9/27/05
 - F. Dennis O'Bryant, Department of Conservation, 9/28/05
 - G. Debbie Pilas-Treadway, Native American Heritage Commission, 9/29/05
 - H. Warren Chang, Multiple Parties, 9/30/05
 - I. Jeane Borkenhagen, Sacramento Metropolitan Air Quality Management District, 10/3/05
 - J. Katherine Eastham, Department of Transportation-District 3, 10/3/05
 - K. Thomas Enslow, Adams, Broadwell, Joseph & Cardozo, 10/3/05
 - L. Michael H. Zischke, Morrison & Foerster, 10/3/05
 - M. Ashley Feeney, City of Sacramento, 10/3/05
 - N. Karen Diepenbrock, Diepenbrock Harrison, 10/3/05
 - Multiple Attachments;
 - N1.City of Sacramento, MOU Natomas Area Joint Vision
 - N2.Sacramento County and City, MOU Land Use and Revenue Sharing
 - N3.Exhibit A, Natomas Area Map
 - N4.Exhibit B, Joint City-County Policy Vision
 - N5.Economic Impacts of Natomas Area Housing for City of Sacramento
 - O. Michael Horgan, Yolo County Flood Control & Water Conservation District, 9/15/05
 - P. Karen Diepenbrock, Diepenbrock Harrison, 10/3/05
 - Multiple Attachments;
 - Edwin & Marjorie Willey, 10/3/05
 - Laverne Scheidel, 10/3/05
 - Jack W. Dewitt, 10/3/05
 - Q. California Department of Fish and Game, Sandra Morey, 10/3/05
 - R. California Department of Transportation, Division of Aeronautics, 10/4/05
-

RECEIVED

SEP 13 2005

SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

Sacramento Public Library

828 I Street
Sacramento, CA 95814
TEL: 916.264.2770
FAX: 916.264.2755

Anne Marie Gold
Library Director

September 9, 2005

Peter Brundage, Executive Officer
Sacramento Local Agency
Formation Commission
1112 I Street, Suite 100
Sacramento, CA 95814

Dear Mr. Brundage:

I received the Sacramento Local Agency Formation Commission's *Notice of Preparation* dated September 1, 2005 for the *Program Environmental Impact Report*. However, the Sacramento Public Library Authority will not be filing a response as the project is not germane to the agency's statutory responsibilities.

Thank you for considering the Sacramento Public Library and good luck with your project.

Sincerely,



Anne Marie Gold
Library Director

AMG:pmc

*To be the best source of knowledge and information
that enriches and empowers all the people of our community*

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791

September 19, 2005



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SEP 20 2005

SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

Peter Brundage
Sacramento County Local Agency Formation Commission (LAFCO)
1112 I Street, #100
Sacramento, California 95814

SOI Amendment for SMUD and Annexation of W. Sac, Davis and Woodland
State Clearinghouse (SCH) Number: 2005092009

Staff for The Department of Water Resources has reviewed the Notice of Preparation provided through the SCH and provides the following comments on behalf of the **State Reclamation Board**:

The Board has no jurisdiction over the SOI and Annexation, however, transmission lines may be located across regulated streams or within designated floodways and may impact a Federal and State authorized flood control project over which The Reclamation Board has jurisdiction and exercises authority. Section 8710 of the California Water Code requires that a Board permit must be obtained prior to start of any work, including excavation and construction activities, within floodways, levees, and 10 feet landward of the landside levee toes. A list of streams regulated by the Board is contained in the California Code of Regulations, Title 23, Section 112.

Section 8(b)(2) of the Regulations states that applications for permits submitted to the Board must include a completed environmental questionnaire that accompanies the application and a copy of any environmental documents if they are prepared for the project. For any foreseeable significant environmental impacts, mitigation for such impacts shall be proposed. Applications are reviewed for compliance with the California Environmental Quality Act.

Section 8(b)(4) of the Regulations states that additional information, such as geotechnical exploration, soil testing, hydraulic or sediment transport studies, biological surveys, environmental surveys and other analyses may be required at any time prior to Board action on the application.

For further information on where to send the documentation, please contact me at (916) 574-0373 or ddjones@water.ca.gov.

A handwritten signature in cursive script that reads "DeeDee Jones".

DeeDee Jones, Chair
Environmental Review Committee

cc: Governor's Office of Planning and Research
State Clearinghouse
1400 Tenth Street, Suite 222
Sacramento, California 95814

LAFCO

*Yolo County Local Agency Formation Commission
625 Court Street, Room 202, Woodland, CA 95695
530.666.8048(office) 530.666.8046(fax)
lafco@yolocounty.org*

September 19, 2005

Peter Brundage, Executive Officer
Sacramento LAFCO
1112 I Street, Suite 100
Sacramento, CA 95814-2836

RECEIVED

SEP 23 2005

SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

Subject: Notice of Preparation (NOP) of a Program Environmental Impact Report for the Amendment to the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) and Annexation by SMUD of the Cities of Davis, West Sacramento and Woodland and Portions of Unincorporated Areas of Yolo County

Dear Mr. Brundage,

Thank you for contacting the Yolo County Local Agency Formation Commission regarding the Project above. As you know, Yolo LAFCO has three areas of concern:

1. Protect agricultural lands
2. Prevent urban sprawl
3. Provision of efficient services

Per your request, this is Yolo County LAFCO's response to the Notice of Preparation (NOP). LAFCO staff reviewed the NOP's content for information based on LAFCO's legislative mandate. Consequently, LAFCO staff has the following comments. We respectfully submit these to you as Yolo County LAFCO's response to the NOP:

- **Section II – Agriculture Resources:** Should the annexation be approved, there is a likelihood that SMUD may need to install additional transmission and substation facilities in agricultural lands. The NOP notes that these "facilities will have relatively small footprints." While the individual footprints may be small, the PEIR should discuss whether the cumulative impact of these footprints would result in a substantial loss of prime soils and any growth-inducing impacts that may result. This impact will depend on whether SMUD plans to use existing easements or rights-of-way secured by Pacific Gas and Electric (PG&E). If SMUD contemplates acquiring additional easements, it should consider mitigating for the loss of farmland according to either the Yolo County LAFCO Agricultural Conservation Policy or the appropriate jurisdictional policy.

COMMISSIONERS

** Public Member Olin Woods, CHAIRMAN **

** City Member Artemio Pimentel, VICE-CHAIRMAN **

** City Member William Kristoff * County Members Frank Siefertman Jr., Helen M. Thomson **

ALTERNATE COMMISSIONERS

** Public Member Robert Ramming * City Member Vacant * County Member Duane Chamberlain **

STAFF

** Executive Officer Elizabeth Castro Kemper * LAFCO Analyst José C. Henríquez **

** Commission Clerk Cynthia Guerrero * Commission Counsel Stephen Nocita **

Response to SMUD NOP

September 20, 2005

Page 2

- Attachment A: The map shows an area highlighted as "West Sacramento Proposed S. (Sphere) of Influence". The current West Sacramento Sphere of Influence (SOI) is coterminous with the City Limit, as established by LAFCO during the City's incorporation process in 1988. Yolo County LAFCO is currently not reviewing, or started to review, the West Sacramento SOI. In addition, West Sacramento has not requested an update to its SOI. Given this, the map should be updated to show the currently highlighted "West Sacramento SOI" area as simply unincorporated Yolo County.
- Attachment A: The map excludes two parcels to the southwest of Davis, south of Putah Creek, between Interstate 80, University of California at Davis (UCD) and the City of Davis. From discussions between LAFCO staff and SMUD staff, a line that serves Solano County and UCD also services these two parcels. However, these two parcels are within unincorporated Yolo County that should be included in the proposed SMUD annexation area. SMUD staff indicates that it is feasible for a small transmission line to be routed into those two parcels from the City of Davis. The PG&E transmission lines to UCD and to Solano County would remain unaffected; consequently, UCD and Solano County would continue to receive electrical service from PG&E. Although this may mean a duplication of lines, its scale should be small enough and the cost should be reasonably low enough to warrant the inclusion of these two parcels.

Please keep us apprised of this Project as it proceeds through your process. We will appreciate receiving the Program EIR and the opportunity to review further reports as they become available. Please call José Henríquez, LAFCO Analyst, or myself if you have any questions about our response.

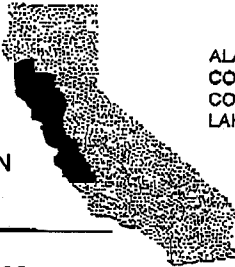
Sincerely,



Elizabeth Castro Kemper
Executive Officer

cc: Yolo County LAFCO Commissioners

CALIFORNIA
HISTORICAL
RESOURCES
INFORMATION
SYSTEM



ALAMEDA
COLUSA
CONTRA COSTA
LAKE

MARIN
MENDOCINO
MONTEREY
NAPA
SAN BENITO
SAN FRANCISCO

SAN MATEO
SANTA CLARA
SANTA CRUZ
SOLANO
SONOMA
YOLO

Northwest Information Center
Sonoma State University
1303 Maurice Avenue
Rohnert Park, California 94928-3609
Tel: 707.664.0880 • Fax: 707.664.0890
E-mail: nwic@sonoma.edu

September 23, 2005

File No.: 05-Y0-2E

Peter Brundage, Executive Officer
Sacramento LAFCo
1112 "I" Street, Suite 100
Sacramento, CA 95814

re: Project Title: Amendment of the sphere of influence for the SMUD and the SMUD cities of W. Sacramento, Davis, Woodland and unincorporated area of Yolo County. Applicant: SMUD. Location: Cities of W. Sacramento, Davis, Woodland and portions of unincorporated areas of Yolo County.

Dear Mr. Brundage:

Records at this office were reviewed to determine if this project could adversely affect historical resources. The review for possible historic structures, however, was limited to references currently in our office. **Please note that use of the term historical resources includes both archaeological sites and historic structures.**

XX The proposed project area has the possibility of containing unrecorded archaeological site(s). A study on a project by project basis is recommended prior to commencement of project activities.

XX We recommend your agency contact the local Native American tribe(s) on a project by project basis regarding traditional, cultural, and religious values, as may be required for adoption and implementation of this plan pursuant to Senate Bill 18 (2004), California Native American Cultural Places. For a complete listing of tribes in the vicinity of the project, please contact the Native American Heritage Commission at 916/653-4082.

Comments:

If archaeological resources are encountered during the project, work in the immediate vicinity of the finds should be halted until a qualified archaeologist has evaluated the situation. If you have any questions please give us a call (707) 664-0880.

Sincerely,

Liz Black for
Leigh Jordan
Coordinator

RECEIVED

SEP 26 2005

SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

STATE OF CALIFORNIA

ARNOLD SCHWARZENEGGER, Governor

CALIFORNIA STATE LANDS COMMISSION
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825-8202



PAUL D. THAYER, Executive Officer
(916) 574-1800 FAX (916) 574-1810
Relay Service From TDD Phone 1-800-735-2929
from Voice Phone 1-800-735-2922

Contact Phone: (916) 574-1890
Contact FAX: (916) 574-1885

September 27, 2005

File Ref: SCH#2005092009

Ms. Nadell Gayou
The Resources Agency
901 P Street
Sacramento, CA 95814

Peter Brundage
Sacramento County Local Agency Formation Commission
1112 I Street, #100
Sacramento, CA 95814

Dear Ms Gayou and Mr. Brundage:

Subject: Amendment to the Sphere of Influence for the Sacramento Municipal Utility District Annexation by SMUD of the Cities of West Sacramento, Davis and Woodland

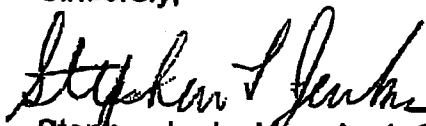
Staff of the California State Lands Commission (CSLC) has received the above referenced Notice of Preparation. Under the California Environmental Quality Act (CEQA), LAFCO is the Lead Agency and the CSLC is a Responsible and/or Trustee Agency for any and all projects which could directly or indirectly affect sovereign lands, their accompanying Public Trust resources or uses, and the public easement in navigable waters.

The State acquired sovereign ownership of all tidelands and submerged lands and beds of navigable waterways upon its admission to the United States in 1850. The State holds these lands for the benefit of all the people of the State for statewide Public Trust purposes which include waterborne commerce, navigation, fisheries, water-related recreation, habitat preservation, and open space. The landward boundaries of the State's sovereign interests in areas that are subject to tidal action are generally based upon the ordinary high water marks of these waterways as they last naturally existed. In non-tidal navigable waterways, the State holds a fee ownership in the bed of the waterway between the two ordinary low water marks as they last naturally existed. The entire non-tidal navigable waterway between the ordinary high water marks is subject to

the Public Trust. The State's sovereign interests are under the jurisdiction of the State Lands Commission.

The bed of the Sacramento River is under the jurisdiction of the Commission. Any activities over, under or on the bed of the River will require a lease from the Commission. Please contact Diane Jones, Public Land Manager, at 916-574-1843, for information concerning our leasing requirements.

Sincerely,



Stephen L. Jenkins, Asst. Chief
Division of Environmental Planning
and Management

cc: Diane Jones



DEPARTMENT OF CONSERVATION

DIVISION OF LAND RESOURCE PROTECTION

601 K STREET • MS 18-01 • SACRAMENTO, CALIFORNIA 95814

PHONE 916 / 324-0850 • FAX 916 / 327-3430 • TDD 916 / 324-2555 • WEB SITE conservation.ca.gov

September 28, 2005

Peter Brundage
Sacramento County Local Agency Formation
Commission (LAFCO)
1112 I Street #100
Sacramento, CA 95814

Subject: Notice of Preparation (NOP) for a Draft Program Environmental Impact Report (DPEIR) for Amendment of the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) and SMUD Annexation of the Cities of West Sacramento, Davis, and Woodland, and Portions of Unincorporated Areas of Yolo County SCH #2005092009

Dear Mr. Brundage:

The Department of Conservation's Division of Land Resource Protection (Division) monitors farmland conversion on a statewide basis and administers the California Land Conservation (Williamson) Act and other agricultural land conservation programs. The Division has reviewed the above NOP and offers the following recommendations for the DPEIR with respect to the project's potential impacts on agricultural land.

The proposed project involves SMUD annexation of a 212 square-mile area of Yolo County for the purpose of replacing Pacific Gas and Electric (PG&E) Company as the primary electric service in the annexed area. The project will also involve SMUD acquisition of PG&E electrical facilities serving the annexation area. The NOP notes that the current annexation project will not have a direct impact on agricultural resources, however, future transmission and substation facilities may be placed on agricultural lands. These facilities, according to the NOP, should have a relatively small footprint and agricultural activities can continue under overhead wires and adjacent to facilities.

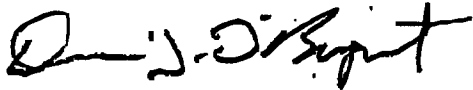
Based on the NOP information, the Division recommends that the DPEIR provide information on the location of agricultural preserves and types of lands (prime, nonprime) under Williamson Act contract in the annexation area. It should also be noted that state policy is to avoid placing public improvements in areas of agricultural

Peter Brundage
September 28, 2005
Page 2 of 2

preserves and on lands under Williamson Act contract whenever non-contracted land is available (Government Code Section 51290). It should be noted that at the time contracted lands are being considered for acquisition for public use or for easement purposes, the public agency is required to provide notice to the Department of Conservation. Public acquisition also requires that the public agency make required findings to support the acquisition per Government Code Section 51292. Please refer to the enclosure for more detailed information on public acquisition requirements.

Thank you for the opportunity to comment on the NOP. If you have questions on our comments, or require technical assistance or information on agricultural land conservation, please contact the Division at 801 K Street, MS 18-01, Sacramento, California 95814; or, phone (916) 324-0850.

Sincerely,



Dennis J. O'Bryant
Acting Assistant Director

Enclosure

cc: Yolo County RCD
221 West Court Street, Suite 1
Woodland, CA 95695

STATE OF CALIFORNIA

Arnold Schwarzenegger, Governor

NATIVE AMERICAN HERITAGE COMMISSION

915 CAPITOL MALL, ROOM 364
SACRAMENTO, CA 95814
(916) 653-4882
Fax (916) 657-5390



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September 29, 2005

SEP 30 2005

SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

Peter Brundage
LAFCO
1112 I Street #100
Sacramento, CA 95814

RE: SCH# 2005092009, Amendment to the Sphere of Influence for SUND and Annexation by SMUD of the Cities of West Sac, Davis and Woodland, Yolo County

Dear Mr. Brundage:

The Native American Heritage Commission has reviewed the above mentioned NOP. To adequately assess and mitigate project-related impacts on archaeological resources, the Commission recommends the following actions be required:

1. Contact the appropriate Information Center for a record search. The record search will determine:
 - If a part or all of the area of project effect (APE) has been previously surveyed for cultural resources.
 - If any known cultural resources have already been recorded on or adjacent to the APE.
 - If the probability is low, moderate, or high that cultural resources are located in the APE.
 - If a survey is required to determine whether previously unrecorded cultural resources are present.
2. If an archaeological inventory survey is required, the final stage is the preparation of a professional report detailing the findings and recommendations of the records search and field survey.
 - The final report containing site forms, site significance, and mitigation measures should be submitted immediately to the planning department. All information regarding site locations, Native American human remains, and associated funerary objects should be in a separate confidential addendum, and not be made available for public disclosure.
 - The final written report should be submitted within 3 months after work has been completed to the appropriate regional archaeological Information Center.
3. Contact the Native American Heritage Commission for:
 - A Sacred Lands File Check. Requests must be made in writing with the County, Quad map name, township, range and section.
 - A list of appropriate Native American Contacts for consultation concerning the project site and to assist in the mitigation measures.
4. Lack of surface evidence of archeological resources does not preclude their subsurface existence.
 - Lead agencies should include in their mitigation plan provisions for the identification and evaluation of accidentally discovered archeological resources, per California Environmental Quality Act (CEQA) §15064.5 (f). In areas of identified archaeological sensitivity, a certified archaeologist and a culturally affiliated Native American, with knowledge in cultural resources, should monitor all ground-disturbing activities.
 - Lead agencies should include in their mitigation plan provisions for the disposition of recovered artifacts, in consultation with culturally affiliated Native Americans.
 - Lead agencies should include provisions for discovery of Native American human remains in their mitigation plan. Health and Safety Code §7050.5, CEQA §15064.5 (e), and Public Resources Code §5097.98 mandates the process to be followed in the event of an accidental discovery of any human remains in a location other than a dedicated cemetery.

If you have any questions, please contact me at (916) 653-4038.

Sincerely,


Debbie Pitas-Treadway
Environmental Specialist III

CC: State Clearinghouse

**HAESUN KOO
LECHAN LAND CORPORATION
CEEL LAND CORPORATION
JOHN CHANG & GRACE CHANG,
SUNG WOO LEE & HYUN JOO LEE
THE YEKUN LIM & INOK LIM REVOCABLE TRUST
C/o Warren Chang
501 Santa Monica Blvd, Ste 501
Santa Monica, CA 90401
Telephone: (310) 395-1427**

September 30, 2005

Via Facsimile (916) 874-2939

Mr. Peter Brundage
Executive Officer
Sacramento Local Agency Formation Commission
1121 L Street, Suite 100
Sacramento, CA 95814

RE: Notice of Preparation of a Program Environmental Impact Report for the Amendment of the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) and Annexation by SMUD of the Cities of West Sacramento, Davis and Woodland, and portions of Unincorporated Areas of Yolo County project.

Dear Mr. Brundage:

I am writing this letter on behalf of Haesun Koo, John Chang and Grace Chang, Sung Woo Lee and Hyun Joo Lee, The Yekun Lim and Inok Lim Revocable Trust, Ceel Land Corporation and Lechan Land Corporation, which own a total of 1,002 acres bordering Elverta Road or in the immediate vicinity thereof.

We wish to register our strong opposition to SMUD's location of overhead power lines along Elverta Road, where they will severely impact the development of our property. We believe that the SMUD overhead power lines will inhibit access onto our land, will reduce the value of the retained land, as well as interfere with the development of the Joint Vision Area to the maximum potential anticipated by the City of Sacramento and the County of Sacramento.

Please select another route.

Very truly yours,


Warren Chang

Oct-03-05 02:14pm
Oct-03-2005 14:29

From-Sac Local Agency Formation Commission
From-SAC: MAIRU AWMU

+916-874-2939

T-461 P.011/014 F-655

SACRAMENTO METROPOLITAN


AIR QUALITY
MANAGEMENT DISTRICT

Larry Greene
AIR POLLUTION CONTROL OFFICER

FILE COPY

October 3, 2005

Mr. Peter Brundage
Executive Officer
Sacramento Local Agency Formation Commission
1112 I St, Suite 100
Sacramento, Ca 95814

**SUBJECT: Notice of Preparation for the Amendment of the Sphere of Influence for the Sacramento Municipal Utility District and Annexation by SMUD of the Cities of West Sacramento, Davis, and Woodland, and Portions of Unincorporated Areas of Yolo County
SMAQMD # SAC2005828**

Dear Mr. Brundage:

Thank you for providing the project listed above to the Sacramento Metropolitan Air Quality Management District (District). Staff comments follow.

As you know, the District has adopted CEQA thresholds of significance for use in preparing and reviewing environmental documents. Separate thresholds were established for the construction phase and operational phase of projects. Those thresholds are available at www.airquality.org.


In July 2004, the District published new guidance on air quality assessment entitled "Guide to Air Quality Assessment in Sacramento County." That guidance replaces our 1994 "Air Quality Thresholds of Significance" document and can be found on our website www.airquality.org under Plans & Rules/ CEQA & mitigation. Table 4.2 (pg. 4-3) in that new document gives a framework to judge whether air quality impacts of projects of various sizes may exceed District thresholds of significance. Under the new guidance which uses the latest analysis tools, construction related air quality impacts trigger the thresholds of significance with smaller projects than before.

This project may generate short term (construction) air quality impacts which may be in excess of the established threshold. An air quality analysis should be done on the project in conjunction with the environmental document in order to determine if those impacts are significant. Relative to the construction impacts, if those impacts are significant, the SMAQMD standard construction mitigation measures should be required as well as other feasible mitigation. Those measures can be found on our website, www.airquality.org.

All projects are subject to SMAQMD rules and regulations in effect at the time of construction. Please see the attached document describing SMAQMD Rules which may apply to this project.

If you have questions, please contact me at 874-4885 or jborkenhagen@airquality.org

Sincerely,



Jeane Borkenhagen
Associate Air Quality Planner/Analyst
cc: Ron Maertz SMAQMD

SMAQMD Rules & Regulations Statement

The following statement is recommended as standard condition of approval or construction document language for all construction projects within the Sacramento Metropolitan Air Quality Management District (SMAQMD):

All projects are subject to SMAQMD rules and regulations in effect at the time of construction. A complete listing of current rules is available at www.airquality.org or by calling 916.874.4800. Specific rules that may relate to construction activities may include, but are not limited to:

Rule 201: General Permit Requirements. Any project that includes the use of equipment capable of releasing emissions to the atmosphere may require permit(s) from SMAQMD prior to equipment operation. The applicant, developer, or operator of a project that includes an emergency generator, boiler, or heater should contact the District early to determine if a permit is required, and to begin the permit application process. Portable construction equipment (e.g. generators, compressors, pile drivers, lighting equipment, etc) with an internal combustion engine over 50 horsepower are required to have a SMAQMD permit or a California Air Resources Board portable equipment registration.

Rule 403: Fugitive Dust. The developer or contractor is required to control dust emissions from earth moving activities or any other construction activity to prevent airborne dust from leaving the project site.

Rule 442: Architectural Coatings. The developer or contractor is required to use coatings that comply with the volatile organic compound content limits specified in the rule.

Rule 902: Asbestos. The developer or contractor is required to notify SMAQMD of any regulated renovation or demolition activity. Rule 902 contains specific requirements for surveying, notification, removal, and disposal of asbestos containing material.

Other general types of uses that require a permit include dry cleaners, gasoline stations, spray booths, and operations that generate airborne particulate emissions.

DEPARTMENT OF TRANSPORTATION
DISTRICT 3 - SACRAMENTO OFFICE
2389 GATEWAY OAKS DRIVE, SUITE 100
SACRAMENTO, CA 95833
PHONE (916) 274-0614
FAX (274) 274-0648
TTY (530) 741-4509



*Flex your power!
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October 3, 2005

05YOL0035

Amendment to the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) - Annexation by SMUD of the Cities of West Sacramento, Davis and Woodland.
SCH#2005092009

Mr. Peter Brundage
County of Sacramento LAFCO
1112 I Street #100
Sacramento, CA 95814

Dear Mr. Brundage:

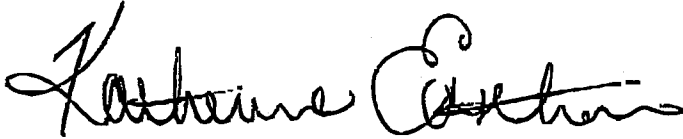
Thank you for the opportunity to comment on the amendment to the sphere of influence for SMUD and the annexation by SMUD of West Sacramento, Davis and Woodland. Our comments are as follows:

- We are concerned with the location of new towers and power lines in relation to state highway facilities. It is important to ensure that towers do not encroach upon any state highway right-of-way, or that any temporary construction facilities do not conflict with access to and from any Caltrans facilities in the annexation area. In addition, to ensure that any permits, as necessary, will be obtained prior to construction of facilities or the placement of power lines over any and all state highways in the project area.
- While the aspect of growth inducement may be small in this case, we applaud the effort to include an analysis of potential impact of growth inducement into the EIR, as this may have indeed have long-range traffic and transportation impacts in those areas not yet served by SMUD.

Mr. Peter Brundage
October 3, 2005
Page 2

Please provide our office with copies of any further action regarding this project. If you have any questions regarding these comments, please contact Patrick Tyner at (916) 274-0558.

Sincerely,



KATHERINE EASTHAM
Chief, Office of Transportation Planning—Southwest and East

ADAMS BROADWELL JOSEPH & CARDOZO

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

1225 8th STREET, SUITE 550
SACRAMENTO, CA 95814-4810

TEL: (916) 444-6201
FAX: (916) 444-8209

tcnslow@adamsbroadwell.com

SO. SAN FRANCISCO OFFICE

601 GATEWAY BLVD., SUITE 1000
SO. SAN FRANCISCO, CA 94080

TEL: (650) 589-1660
FAX: (650) 589-5062

DANIEL L. CARDOZO
RICHARD T. DRURY
THOMAS A. ENSLOW
TANYA A. GULESSERIAN
MARC D. JOSEPH
OSHA R. MESERVE
SUMA PEESAPATI
GLORIA D. SMITH

FELLOW
KEVIN S. GOLDEN

OF COUNSEL
THOMAS R. ADAMS
ANN BROADWELL

October 3, 2005

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OCT 3 - 2005

SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

VIA HAND DELIVERY

Peter Brundage
Sacramento Local Agency
Formation Commission
1112 I Street, Suite 100
Sacramento, CA 95814

Re: Scoping Comments for the SMUD Annexation Program Environmental Impact Report

Dear Mr. Brundage:

On behalf of the Coalition of California Utility Employees ("CUE"),¹ this letter provides comments on the September 1, 2005 Notice of Preparation ("NOP") of a Program Environmental Impact Report ("EIR") for the proposed amendment of the Sphere of Influence of the Sacramento Municipal Utility District ("SMUD") and Annexation by SMUD of the Cities of West Sacramento, Davis, and Woodland, and portions of unincorporated areas of Yolo County. CUE provides these comments based on concerns that the proposed project may result in adverse environmental impacts affecting the areas where the members of the unions in CUE live and work.

Without having had the opportunity to examine the potential impacts of this project in detail, our comments at this time are preliminary. Nonetheless, several issues regarding potential air quality impacts immediately stand out. Given that Sacramento County and Yolo County are designated as nonattainment for specific ambient air quality standards, it is vital that potential criteria air pollutant emissions from project activities and resulting impacts on ambient air quality be appropriately analyzed.

¹ CUE is a coalition of unions whose members work at essentially all of the electric utilities in California, both investor owned and publicly owned. The unions include IBEW 1245, whose members work at both SMUD and PG&E.

1011-516d

Peter Brundage
October 3, 2005
Page 2

I. IMPACTS FROM CONSTRUCTION

The NOP identifies construction activities as a potential source of significant air quality impacts. (NOP at p. 15.) However, it appears to dismiss these impacts as "only short term," and merely plans to "define mitigation measures." Impacts on air quality from any particular construction project may be short-term, but construction emissions present a substantial contribution to the existing violations of state and federal ambient air quality standards. (See Sacramento Metropolitan Air Quality Management District, Guide to Air Quality Assessment (July 2004) at p. 3-1.)

Until construction emissions are properly quantified and analyzed, it is impossible to determine adequate mitigation. The EIR must first identify the baseline air quality from both a local and regional perspective, as it exists before the commencement of the project. (14 Cal. Code Regs. § 15125.) Baseline air quality information should include site-specific characteristics of the proposed project, such as climate and topography, existing stationary source emissions, congested roadways, and identification of any nearby facilities that emit toxic air contaminants. Sensitive receptors in the vicinity of the project areas should be clearly identified in the EIR. Areas earmarked as future sites for sensitive receptors (i.e., a future school site or convalescent home) should also be identified.

The EIR must then prepare an inventory of emissions from the project, determine thresholds of significance, compare emissions to the thresholds, specify mitigation measures, determine the emission reduction efficiency of the proposed mitigation measures, and then quantify the mitigated emissions. Proposed mitigation measures must be capable of reducing the impacts to a level that is less than significant. Ambient air quality dispersion modeling may be necessary to determine whether emissions from the project construction result in violations or substantially contribute to violations of ambient air quality standards.

The construction emissions that may result from annexation should be carefully quantified and analyzed to determine the potential increases in NO_x, ROG, CO, PM_{2.5} and PM₁₀ emissions, among other potential criteria pollutants, and the impact of these emissions on air quality. In addition, emissions of toxic air contaminants should be quantified and analyzed. Sources of construction emissions include combustion exhaust emissions from construction equipment, construction worker commutes, haul trucks, portable auxiliary equipment and generators; ROG emissions from architectural coatings, asphalt paving, welding, etc.; and fugitive

Peter Brundage
October 3, 2005
Page 3

dust PM10 emissions from soil disturbance such as earth moving or vehicle trips on unpaved roads. Secondary emissions that must be accounted for include emissions associated with the generation of electricity to power any electrical equipment. In addition, the EIR must consider the mitigation measures it imposes to determine if they would cause secondary impacts in addition to those that would be caused by the Project. (14 Cal. Code Regs. § 15126.4; *Stevens v. City of Glendale* (1981) 125 Cal.App.3d 986.)

Construction emissions should be calculated for all construction activities that may result from the proposed annexation. Potential construction activities identified in the SMUD Annexation Application include: the construction of a new 115 kV transmission line from SMUD's existing Elverta Substation to the Woodland Substation; construction of a new Willow Slough substation; the reconstruction of existing SMUD 115kV transmission lines in order to add an additional transmission line to serve the area, replace lattice towers with steel poles and add additional overhead lines and fiber optic cable; the construction of a new line from PG&E's existing transmission line located on Power Inn Road to SMUD's existing Hedge Substation; the interconnection of existing PG&E and SMUD transmission lines near SMUD's North City Substation; the replacement of existing PG&E overhead transmission line conductor with conductor that can carry additional capacity at various locations within the annexed territory; the reconductoring of 115 kV transmission line from the existing West Sacramento Substation to the Davis Substation; the reconductoring of several existing 12 kV distribution lines; the reduction of multiple terminal lines to more reliable two terminal lines; the installation of remote meters to replace existing single-phase kWh meters; the extension of the SMUD communication system to the Yolo annexation territory; and the construction of the Western Area Power Administration 230 kV line between O'Banion Substation and Elverta/Natomas. The SMUD Annexation Application should be reviewed carefully to ensure identification of all potential construction activities related to the project.

For each of these activities, the EIR must determine the activities involved, specify a construction schedule, identify the types and number of construction equipment operating during the various activities of project construction, estimate the number of daily and total hours of use, calculate the number of construction workers for each construction site, identify the predominant soil type at each construction location, determine the load factors and emission factors for each piece of equipment, determine the quantity of architectural coatings, asphalt paving and striping, and so forth. Typical construction equipment includes loaders, dozers,

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excavators, tractors, graders, pavers, rollers, drill rigs, cranes, compressors, welders, forklifts, haul trucks, generators, water trucks, compressors, digger derricks, trenchers, cable plows, and borers. Even if the precise route or location is not yet known, the EIR must identify and analyze all potential impacts to the extent known or reasonably foreseeable. (Pub. Resources Code §§ 21068, 21100; 14 Cal. Code Regs. § 15126.2; *Laurel Heights Improvement Ass'n v. Regents of Univ. of Cal.* (1988) 47 Cal.3d 376, 396; *Berkeley Keep Jets Over the Bay Comm. v. Board of Port Comm'rs* (2001) 91 Cal.App.4th 1344, 1370.)

For its construction emissions inventory, the EIR should use the most current methodology and emission factors.² The magnitude of fugitive dust emissions resulting from vehicle traffic on unpaved roads, dirt-pushing and bulldozing operations, and wind erosion depends in part on the silt content of the surface materials. Accordingly, the EIR should include an analysis of the specific silt content of the areas proposed for construction.

The EIR must then use this data to calculate the combustion emissions from construction equipment, calculate fugitive dust emissions from construction activities, calculate combustion emissions from construction worker trips for each specific construction activity and sum the emissions and compare to the significance criteria. The EIR must also identify any impact emissions may have on sensitive receptors. The EIR should evaluate these findings and require feasible mitigation to reduce any significant impacts to less than significance.

II. IMPACTS FROM OPERATION AFTER ANNEXATION

While it acknowledges potential construction impacts, the NOP states that "substantial emission of air pollutants is not expected to be generated during project operation." (NOP at p. 15.) We believe this is incorrect. At least two components of the project may result in operational air quality impacts: increased diesel truck travel and increased power demands at the Cosumnes power plant. The NOP alludes to this second source of impacts when it states "changes in generation supply resources when SMUD replaces PG&E as the electric service provider may have a secondary impact on air quality." (*Id.*)

² A study commissioned by the South Coast Air Quality Management District ("SCAQMD") recently identified the most accurate methodology for calculating construction emissions.

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A. Increased Service Vehicle Emissions

The project may result in increased vehicle combustion exhaust emissions because there will be no SMUD service centers within the annexed territory. PG&E currently operates several service centers within the proposed annexation area. SMUD, on the other hand, operates all of its service centers east of the Sacramento River. As a result, SMUD's service trucks will need to travel a much greater distance to conduct the same service activities. This may result in a significant increase in combustion exhaust emissions. The EIR must analyze and quantify these increased emissions to determine their potential adverse impacts on ambient air quality and provide adequate mitigation. These impacts should be determined using the methodology and emission factors provided by the California Air Resources Board's on-road vehicle emissions model, EMFAC.

B. Increased Emissions at the Cosumnes and Roseville Power Plants

The SMUD Annexation Application states that at least two power plants must be commissioned in order to have adequate load serving capacity for the annexation territory (SMUD Application at 55-56, Attachment F):

- The 500-MW Cosumnes Power Plant, which is scheduled to be commissioned in early 2006.
- The 160-MW Roseville Energy Park, which is scheduled to be commissioned in early 2007.

The EIR must disclose and analyze the relationship between the SMUD annexation and these power plants to determine if SMUD's reliance upon these plants may result in increased air pollutant emissions. As mentioned above, the NOP appears to recognize this possibility with its statement that "changes in generation supply resources when SMUD replaces PG&E as the electric service provider may have a secondary impact on air quality." (NOP at p. 15.) The potential increase of air pollutant emissions from this relationship must be quantified to determine the extent of the potential impact on air quality.

For example, the amount of electricity generated at the Cosumnes power plant is dependent upon whether or not the annexation is approved. When SMUD's new Cosumnes power plant is operated to meet SMUD loads, it does not incur any

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California Independent System Operator ("CAISO") uplift charges, but when SMUD either exports Cosumnes power or buys non-Cosumnes power using the CAISO-controlled grid, then SMUD is subject to various ISO charges. If the annexation is not approved, SMUD will run Cosumnes above the level required to meet its native load only when the market price for electricity is greater than the Cosumnes cost of production *plus* the ISO uplift charges associated with delivery of Cosumnes generation to non-SMUD markets. If the annexation is approved, SMUD will run Cosumnes above the level required to meet its existing native load whenever there is sufficient annexed-area load to justify doing so and the market price of energy is above the cost of Cosumnes production *minus* the ISO uplift charges associated with importing across the ISO grid.

It is thus possible to estimate the impact that the SMUD annexation will have on the increased operation of the Cosumnes power plant. The impact of the SMUD annexation on the operation of the Cosumnes plant may be calculated by estimating the percentage of time that the market price for electricity will be no less than the cost of production minus the ISO charge and no more than the cost of production plus the ISO charge. During such periods, it will be economically appropriate to increase Cosumnes generation to meet Yolo County loads (if the annexation occurs) but will not be economically appropriate to increase Cosumnes generation to make off-system sales (if the annexation does not occur).

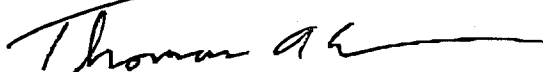
This calculation should be made to determine the number of additional megawatt-hours that would be generated at the Cosumnes plant. The EIR should then calculate the additional emissions associated with that additional generation and impose the appropriate mitigation measures. Again, the lead agency is required to identify and analyze all potential environmental impacts in the EIR. (14 Cal. Code Regs. § 15126.2.)

Because the SMUD application identifies the Roseville plant as necessary, the EIR should also disclose and analyze the relationship between the SMUD annexation and the Roseville Energy Park to determine if SMUD's reliance upon this power plant may also result in increased air pollutant emissions.

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CUE appreciates this opportunity to participate in the California Environmental Quality Act process for the proposed project. We hope our comments are helpful as you begin to analyze the potential impacts of this project in more detail.

Sincerely,



Thomas A. Enslow

TAE:cnh

MORRISON | FOERSTER

425 MARKET STREET
SAN FRANCISCO
CALIFORNIA 94105-2482

TELEPHONE: 415.268.7000
FACSIMILE: 415.268.7522

WWW.MOFO.COM

MORRISON & FOERSTER LLP
NEW YORK, SAN FRANCISCO,
LOS ANGELES, PALO ALTO,
SAN DIEGO, WASHINGTON, D.C.,
DENVER, NORTHERN VIRGINIA,
ORANGE COUNTY, SACRAMENTO,
WALNUT CREEK, CENTURY CITY

TOKYO, LONDON, BEIJING,
SHANGHAI, HONG KONG,
SINGAPORE, BRUSSELS

October 3, 2005

Writer's Direct Contact
415/268-6718
MZischke@mofo.com

Peter Brundage
Sacramento Local Agency Formation Commission
11121 I Street, Suite 100
Sacramento, CA 95814

Re: Comments on the Scope of the Program Environmental Impact Report for the Requested SMUD Annexation

Dear Mr. Brundage:

Pacific Gas and Electric Company ("PG&E") has reviewed the September 1, 2005 Notice of Preparation for the Program Environmental Impact Report ("Program EIR") to be prepared for the annexation of certain Yolo County areas by the Sacramento Municipal Utility District ("SMUD") and amendment of the Sphere of Influence for SMUD. On behalf of PG&E, we appreciate the opportunity to submit comments on the scope and content of the Program EIR for this project. PG&E looks forward to working with Sacramento LAFCo, interested parties, governmental agencies and members of the public in ensuring that all significant environmental impacts of the project are fully analyzed.

PG&E has two significant concerns with the Program EIR as proposed in the Notice of Preparation:

- **The proposed project and project description are incomplete and ill-defined, and therefore the annexation application and Notice of Preparation are premature and invalid.** The EIR is premature because the annexation application is invalid due to significant continuing changes in the annexation proposal and the map of the annexation area submitted with the application. Before an EIR may be conducted, SMUD must submit a new and final application that reflects the complete project that is proposed to be approved by LAFCo, including a comprehensive description of the complete area to be annexed and all existing and new facilities reasonably foreseeable to be part of the project. Given SMUD's disclosure that it intends to continue to modify the map of the area to be annexed and the facilities to be acquired or constructed as part of the annexation, the EIR should not be conducted until SMUD submits an annexation application and project description which is complete and final.

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- The "study area" approach for required new facilities such as the Elverta-Woodland Transmission Line and Willow Slough Substation violates CEQA. The Notice of Preparation proposes to analyze the new Elverta-Transmission Line and Willow Slough Substation without examining transmission line routing alternatives or substation siting alternatives. Notice of Preparation, p. 12. Adequate environmental review as required by CEQA is only possible by analyzing specific alternative routes for the transmission line and substation locations, as is always done prior to the construction of any transmission line and/or substation. These facilities are necessary for the annexation and the analysis of their impacts and alternative routes and sites may not be deferred to a later EIR.

In addition to these concerns, PG&E has identified several potentially significant environmental impacts which should be included in the EIR analysis. Each of these concerns and impacts is discussed below.

I. The Annexation Application and Project Description Are Incomplete and Therefore Premature and Invalid under CEQA

The project description must be stable and consistent so that the EIR can adequately evaluate project impacts. Without a stable project description, there cannot be intelligent public participation in the decision-making process. *County of Inyo v. City of Los Angeles*, 71 Cal.App.3d 185, 197-98 (1977). The SMUD annexation project is currently a moving target rather than the fixed and stable project description required by CEQA.

The map attached to the SMUD board resolution, the adoption of which formally started the annexation process, differs markedly from the map submitted with the annexation application and the map contained in the Notice of Preparation. The central component to an annexation is precisely what territory will actually be annexed. Before an EIR may be conducted, SMUD must submit a new and final application that reflects the complete project that is proposed to be approved by LAFCo. Additionally, at the September 13, 2005 SMUD Board Policy Committee meeting, SMUD indicated that it intends to continue to modify the area to be annexed as well as the facilities to be acquired and that the final boundary will not be known until the end of the LAFCo process. Continued changes such as these violate CEQA's requirement that the project description remain stable and consistent.

In addition, the discrepancy between the maps invalidates the annexation application and thus an EIR is premature. A local agency may begin the annexation process by adopting a resolution proposing the annexation, and the resolution must contain a map setting forth the boundaries of the affected territory. Govt. Code §56654(c). Based on the resolution, the local agency then submits an application to LAFCo requesting the annexation and this application must also contain a map and description of the boundaries of the subject territory.

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Govt. Code §56652(c). The two maps must be identical, because otherwise the resolution map would be meaningless. Because the map which SMUD submitted with the application differs substantially from that in the resolution, the application appears to be invalid.

Finally, the map attached to the Notice of Preparation which describes the proposed annexation territory and sphere of influence change (Attachment A) incorrectly describes West Sacramento's sphere of influence ("SOI"). West Sacramento's SOI is coterminous with its city limits and, according to Yolo LAFCo, West Sacramento has not requested an update to its SOI and thus the map must be further revised - more proof that the project description is not stable and that it is not ready for meaningful public participation. These uncertainties over the annexation area and project description must be resolved prior to proceeding with the CEQA review, and a new notice of preparation should be issued once the project description and proposed annexation area are final and complete.

II. The "Study Area" Approach Defers Analysis That Must Be Conducted Now

The SMUD annexation will require the construction of a transmission line stretching approximately 15 to 18 miles between the Elverta and Woodland Substations and a new substation located between the cities of Woodland and Davis near the Willow Slough. Despite the fact that the end points of the transmission line are currently known, preferred and alternative transmission line routes have not been identified. Instead, the annexation application and Notice of Preparation propose that the Program EIR will analyze potentially significant environmental impacts in the transmission line "study area" and that SMUD will analyze the impacts of proposed routes during a later project EIR. Application for Annexation, SMUD, July 29, 2005, p. 57; Notice of Preparation, p. 12. The same "study area" approach is proposed for the Willow Slough Substation, even though its location is currently known to within one square mile. CEQA does not allow this staged approach because these impacts are "reasonably foreseeable," an alternative routes analysis conducted at this point would not be speculative, and CEQA requires full environmental analysis at the earliest possible point.

The "study area" approach violates the basic axiom of CEQA that the EIR must "inform the public and responsible officials of the environmental consequences of their decisions *before* they are made." *Citizens of Goleta Valley v. Board of Supervisors*, 52 Cal.3d 553, 564 (1990) (emphasis in original). As currently envisioned, LAFCo and the residents who will vote on the annexation must decide whether the annexation should proceed without knowing where the transmission line will be routed. To a voter living in the Transmission Line Study Area, the precise route may be the most significant issue for deciding whether to approve the annexation. In fact, within days of SMUD's Board Resolution to move forward with the annexation, some property owners within the Transmission Line Study Area wrote to SMUD stating that, while they supported the annexation generally, they strongly objected to routing the transmission line along Elverta

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Road within the Study Area. Letter from Karen L. Diepenbrock, counsel to the Brookfield Land Company, to John DiStasio and Paul Lau, SMUD, May 24, 2005. The public and the decision makers deserve to know the potential alternate locations where the transmission line will be constructed, and whether it will be built overhead or underground. It undermines CEQA's basic purpose of ensuring that governmental decisions are made only after full disclosure and analysis of all environmental impacts to defer routing analysis until after the decision to construct the line and substation have been made. As one court stated in an analogous case when the lead agency sought to defer analysis of the issues, this would "be putting the cart before the horse." *Stanislaus Natural Heritage Project v. County of Stanislaus*, 48 Cal.App.4th 182, 200 (1996). Deferring the siting analysis until after the LAFCO decision and the November 2006 annexation election denies relevant information to both the LAFCO decisionmakers and the voters.

SMUD and LAFCo cannot escape the need to conduct this review now by calling the current EIR a "program" EIR. CEQA Guidelines §15152. A program EIR and tiering may not be used to defer an analysis of "reasonably foreseeable significant environmental impacts" to a later stage of review in order to avoid addressing them in the first tier, program EIR. *Id.* An environmental impact should be reviewed in the first tier EIR when it is a "reasonably foreseeable consequence of the approval" and there are "sufficient reliable data to permit preparation of a meaningful and accurate report on the impact." *Los Angeles Unified Sch. Dist. v. City of Los Angeles*, 58 Cal.App.4th 1019, 1028 (1997). Failure to analyze such foreseeable impacts during the initial stage of review renders the EIR inadequate. *Id.* According to the annexation application, the annexation "requires" the transmission line and substation, and thus the transmission line and substation are "reasonably foreseeable" impacts. Annexation Application, at p. 35. Moreover, the starting and ending points and general route are known. Thus, there are sufficient data to conduct more detailed review and there is no reason to believe the siting analysis will differ after the election.

Additionally, many of the possible significant environmental impacts that could result from the transmission line and substation are location specific. As such, without knowing the precise location of the facilities, it is not possible to conduct adequate environmental review. The fact that future environmental review will be conducted does not cure this default. *Stanislaus Natural Heritage Project*, 48 Cal.App.4th at 202-03.

III. Potentially Significant Environmental Impacts from the Elverta-Woodland Transmission Line Which Must Be Considered In The EIR

The Elverta-Woodland transmission line will result in several potentially significant environmental impacts which must be analyzed. The following briefly summarizes impacts that PG&E has identified that should be included within the scope of the EIR.

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Natomas Basin Habitat Conservation Plan. The Natomas Basin Habitat Conservation Plan ("NBHCP") is a conservation program that encompasses over 53,000 acres in northwestern Sacramento County and southern Sutter County aimed at protecting 22 species. It seeks to promote a balance between biological conservation and economic development by requiring that land developed in the Natomas Basin is mitigated by setting aside land into conservation preserves at a ratio of 0.5 acres of habitat mitigation land for each 1.0 gross acre of development that occurs in the Basin. The NBHCP has been under constant legal challenge since its initial adoption in 1997, including a recent upholding of an incidental take permit issued under the NBHCP. *National Wildlife Federation v. Norton*, 2005 WL 2175874 (E.D.Cal. 2005).

The portion of the Transmission Line Study Area east of the Sacramento River is almost entirely within the area covered by the NBHCP and it contains nine NBHCP mitigation properties as well as three properties which border the study area. Mitigation properties in Sutter County extend north-south from the northern boundary of the Study Area south to the Sacramento County line, forming essentially a broad swath across the Study Area.¹ Properties in Sacramento County form a similar swath.² In addition, all land within one mile of the Sacramento River is designated the "Swainson's Hawk Zone" and special provisions for it must be made. The EIR must evaluate whether the transmission line is compatible with the NBHCP generally and whether it will have any impacts on the mitigation properties specifically.

The NBHCP is an example of why the study area approach is inappropriate. Whether the transmission line is consistent with the NBHCP and whether it will have significant environmental impacts on the protected species will depend in large part, if not entirely, on the routing of the line. A route that goes through a mitigation property may require much different analysis than a route that avoids all such properties.

Yolo County Habitat Conservation Plan. Although Yolo County has not yet adopted a Habitat Conservation Plan, it has started this process and has developed a Preliminary Draft Habitat Conservation Plan. The proposed area of the Yolo HCP covers the entire Study Area in Yolo County. Although this HCP has not been adopted, the EIR must carefully evaluate potential impacts to the sensitive biological resources identified in the Preliminary Draft and LAFCo must work with the relevant agencies to ensure that the transmission line and substation are consistent with the Yolo HCP.

Expansion of the Sacramento International Airport. The Sacramento International Airport Master Plan calls for expanding the current airfield in order to

¹ These mitigation properties are: Bennett South, Lucich South, Huffman East, Huffman West, Atkinson, and Ruby Ranch.

² See the Tufts and Sills mitigation properties.

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accommodate an expected increase in airport demand. All alternative airport expansion plans involve extending the current eastern runway 2,400 feet to the north, bringing it within close proximity to Elverta Road and the southern boundary of the Transmission Line Study Area. Sacramento International Airport Master Plan, Exhibit 5.1-1 (February 17, 2005). The EIR must analyze whether the transmission line is consistent with the SIA Master Plan and with federal regulations limiting the construction of structures which might affect navigable space. *See* 14 CFR 77 *et seq.*

Natomas Joint Vision Area. The City and County of Sacramento signed a Memorandum of Understanding in 2002 to develop a vision for growth in the Natomas area, an area which overlaps with much of the Transmission Line Study Area east of the Sacramento River. The City and County are both currently moving forward with implementing the MOU by adopting General Plan amendments and the City is currently preparing an EIR for its amendment. The General Plan amendment contemplates future urban development in the section of the Transmission Line Study Area north of Elverta Road and east of Lone Tree Road. The annexation EIR must examine whether the Elverta-Woodland transmission line is compatible with this potential urban growth.

SACOG Blueprint. The EIR should consider whether the transmission line is consistent with the SACOG Blueprint. The SACOG Blueprint proposes some significant residential development in the Transmission Line Study Area, particularly along Elverta Road in Sacramento County and along Riego Road, east of Highway 99 in southern Sutter County. It also envisions significant industrial and retail/office development in southern Sutter County near the intersection of Highway 99 and Riego Road. The EIR must analyze the extent to which a transmission line would interfere with any of these uses.

General Plans. Depending on routing of the transmission line, it may pass through land governed by a variety of general plans, including the Sacramento County General Plan, Sutter County General Plan, Yolo County General Plan, and the City of Woodland General Plan. The NOP states that it is "anticipated" that any general plan implicated "will accommodate the construction of public facilities." NOP, at p. 19. It is unclear why this is "anticipated," especially given that the transmission line route has yet to be determined and that all the General Plans have elements which may limit the transmission line, including elements regarding conservation of agricultural lands. Each of these General Plans must be carefully reviewed to evaluate both plan consistency and potentially significant environmental impacts. After all, the line and substation are not necessary to provide electric service to Yolo inhabitants - they are only necessary to permit one specific provider to provide that service.

We note a number of aspects of the various General Plans which should be taken into account in the EIR:

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- City of Woodland General Plan. The Woodland General Plan requires that public utility facilities are sited to minimize health hazards and states that overhead lines can be unsightly. Woodland General Plan, Public Facilities and Services, 4-16.
- Sacramento County General Plan. The Sacramento County General Plan Public Facilities Element has an extensive discussion on energy facilities, including a number of policies directed at the siting and design of transmission lines. Sacramento County General Plan, Public Facilities Element, pp. 43-44. For example, transmission lines should not split parcels, they should avoid biological resources, cultural resources, and prime or statewide importance farmland, and they should be routed to minimize aesthetic impacts on scenic highways, recreation areas and other similar scenic resources. Depending on the routing, the Elverta-Woodland Transmission Line may implicate all of these policies.
- Yolo County General Plan. The Yolo County General Plan contains a policy of keeping transmission lines outside scenic corridors. Yolo County General Plan, Scenic Highway Policies, SH 8. It also states that the County shall consider designating "river roads" as scenic highways, which might include County Road 117. It appears that any transmission line route within the Study Area must either cross County Road 117 or to be within close proximity. In addition, the Yolo County General Plan prohibits nonagricultural land use activities on agriculturally designated land areas. *Id.* Land Use Policies, LU 7; *see also* Yolo County LAFCo Agricultural Conservation Policy. Most of the land in the Transmission Line Study Area is agricultural and a route through this land is potentially in conflict with this policy. The General Plan also requires "floodproofing" of any development within areas at risk of flooding. Large areas in Yolo County close to the Sacramento River are subject to flooding and to the extent that the transmission line must pass through these, the structures must meet this policy.
- Sutter County General Plan. The Sutter County General Plan notes that there are no designated transmission line corridors in Sutter County and that any development will be regulated by the Public Utilities Commission. Sutter County General Plan, Chapter 11.5. The General Plan notes that although there are no state designated scenic highways, there are scenic roads in various parts of the County, including along the Sacramento River. *Id.* at Chapter 7.8.

IV. Impacts Resulting From The Willow Slough Substation

The Preliminary Draft of the Yolo County Habitat Conservation Plan has identified the Willow Slough as a key riparian corridor in Yolo County and states that it provides

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important habitat for some of the Yolo HCP's covered species. Yolo County Habitat Conservation Plan, Preliminary Draft, p. 5-5 (January 2001). The Willow Slough Substation Study Area includes part of the Willow Slough and the EIR must address potential impacts on the Willow Slough from this proposed substation. This is another instance when the Study Area approach is inappropriate because the impacts analysis cannot be adequately conducted without knowing where the substation will be located.

V. Air and Water Quality Impacts

A. Increased Powerplant Emissions. The annexation will result in increased output from existing and/or new natural-gas fired powerplants within the annexation area, such as from the under-construction Cosumnes plant owned by SMUD. This increased output will result in increased emissions of pollutants and air and water quality impacts. The scope of the EIR must model and estimate this increased powerplant output and analyze the resulting air and water quality impacts and emissions.

B. Increased Diesel Truck and Other Vehicle Emissions. The annexation will result in increased diesel truck and other vehicle emissions because SMUD will not be acquiring service centers within the annexed territory, and has not planned (nor forecast costs) to construct such centers. Thus, its service vehicles will need to travel greater distances to serve Yolo customers. PG&E currently operates service centers in Woodland and Davis, both within the annexation area. In contrast, all SMUD service centers are located outside the annexation area east of the Sacramento River. As a result, SMUD's diesel service trucks and other vehicles will need to travel a much greater distance to conduct the same service activities PG&E now does, resulting in a significant increase in diesel emissions and air quality impacts. The scope of the EIR must analyze this significant environmental impact.

VI. Energy Conservation Impacts

Consistent with Appendix F of the CEQA Guidelines, the EIR should evaluate the potential energy impacts of the annexation. PG&E's analysis indicates that its renewable energy and energy conservation programs surpass those of SMUD and that the annexation thus may result in a decrease in energy conservation and a decrease in energy conservation options available to consumers within the affected territory.

VII. New PG&E Facilities Required as a Result of Reconfiguration of SMUD's Transmission System and PG&E's Transmission and Distribution Systems

PG&E owns transmission and distribution facilities in the annexation area that would be used, in part, to wheel power to SMUD, and it estimates that these facilities would need to be reinforced. If the approximately 350 MW of Yolo load, plus additional 50 to 80 MW of

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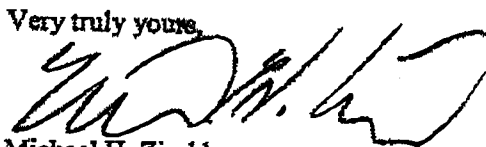
UC Davis load is added to the SMUD transmission system, the power to serve this load will flow over a different path than is currently the case. As a result, PG&E facilities south of the Rio Oso Substation would become overloaded and would need to be upgraded. The impacts of and alternatives to these upgrades must be analyzed in the EIR.

VIII. Socioeconomic and "Environmental Justice" Impacts Due to Higher Electric Rates Resulting from the Project

SMUD claims the annexation will result in lower rates to customers within the annexed area, and therefore the only impact to be analyzed is the potential for growth inducement. However, PG&E disagrees with SMUD's assumption that the annexation will reduce electric rates, and believes in fact it will significantly increase electric rates, particularly to low and middle income residential customers within the annexed area (given the loss of AB IX rate protection) as well as existing SMUD customers. Therefore, the EIR must analyze the socioeconomic impacts of such higher electric rates, including the "environmental justice" issues associated with those higher rates.

PG&E appreciates the opportunity to comment on the Notice of Preparation. Having conducted environmental review for numerous transmission lines and substations in the past, we are familiar with the process and understand the amount of effort needed to put together a thorough and complete document. Thank you for taking the time to consider our concerns.

Very truly yours,



Michael H. Zischke



DEVELOPMENT SERVICES
DEPARTMENT

CITY OF SACRAMENTO
CALIFORNIA

915 I STREET
3rd FLOOR
SACRAMENTO, CA
95814-2998

October 3, 2005

Peter Brundage, Executive Officer
Sacramento Local Agency Formation Commission
1112 I Street, Suite #100
Sacramento, CA 95814

Subject: Comments on the Notice of Preparation of a Program Environmental Impact Report for the amendment of the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) and Annexation by SMUD of the Cities of West Sacramento, Davis, and Woodland, and Portions of Unincorporated Areas of Yolo County

Dear Mr. Brundage:

The purpose of this letter is to provide comments on the Notice of Preparation (NOP) of a Program Environmental Impact Report (EIR) for the subject SMUD annexation. We have reviewed the most recent notice dated September 1, 2005 and have the following comments:

Agriculture Resources: The Technical Background Report (TBR) for the City of Sacramento's General Plan Update identified 5,950 acres of Williamson Act lands within the adopted Policy Area. The purpose of the TBR is to provide a profile and analysis of existing conditions pertaining to the Policy Area. The Policy Area includes the City boundaries, the City's Sphere of Influence (SOI), and additional area in which adopted City policies may relate. The majority, if not all of the Williamson Act lands are located outside of the City limits. Farmland protection is of great importance to the City of Sacramento within the unincorporated portion of Sacramento County that falls within the 115kV Transmission Line Study Area as shown in Attachment H, Figure 1 of the NOP.

On December 10, 2002 the Sacramento City Council and the Sacramento County Board of Supervisors approved the Memorandum of Understanding regarding principles of land use and revenue sharing for the Natomas area. As you are aware, this has come to be known as the "Natomas Joint Vision" (NJV). One of the key principles identified in the MOU is the protection of Farmland. The City and County agreed on four principles related to Open Space:

- 1) Open Space Preservation
- 2) Farmland Protection
- 3) Habitat Protection
- 4) Airport Protection



Please discuss the impacts to Williamson Act lands or the conversion of farmland that falls within the transmission line study area. Please provide mitigation measures for farmland that is lost to transmission line conversion or no longer agriculturally viable due to the transmission line path.

Biological Resources: The Biological Resources section of the City of Sacramento's TBR for the General Plan Update identifies many special-status species that could potentially be impacted by a transmission line route. Please see Attachment 1, Table 6.1-1, Special Status Species Potentially Occurring in the City of Sacramento's 2005 General Plan Update Policy Area and the associated map Figure 6.1-2, Biological Resources Sensitive Elements, from the Biological Resources section of the TBR.

The Natomas Basin Habitat Conservation Plan (HCP) and Metro Airpark HCP further identifies special-status species that are present and could potentially be impacted by a transmission line route in the Proposed Elverta Substation to Woodland Substation 115kV Transmission Line Study Area. The EIR should consider impacts to biological resources in the context of the Natomas Basin and Metro Airpark HCPs. Habitat Protection is a key principle of the City-County MOU NJV area. The City and County are developing an Open Space Program for the NJV area that will provide for habitat connectivity. The EIR should further consider the impacts of a transmission line route to habitat connectivity and existing habitat corridors.

Cultural Resources: The Cultural Resources section of the City of Sacramento's TBR identifies areas of low, moderate and high sensitivity in regards to Cultural resources. Please see Attachment 2, Figure 6.3-1, Archaeological Sensitivity Map. There does appear to be areas of high sensitivity within the transmission line study area. The appropriate Tribes should be notified and consulted per SB 18 Tribal Consultation Guidelines, regarding the Cultural Resources in the transmission line study area. The EIR should adequately address potential impacts to Cultural Resources resulting from the placement of a transmission line route.

Land Use and Planning: The City of Sacramento is in the process of amending the City's SOI. The SOI amendment is necessary in order to plan for the orderly expansion of the City to accommodate 200,000 additional people over the next 25 years, as projected in our General Plan update. The area proposed for the SOI amendment would implement the City-County NJV MOU objectives and is consistent with the SACOG approved Regional Blueprint growth scenario (please see the attached map).

The location of transmission lines and substations could potentially impact densities required to meet population and employment objectives. The EIR should consider potential impacts to the urbanization of the proposed SOI amendment area.

The City of Sacramento's preferential locations for transmission line routes are in the order specified below:

- 1) Within existing SMUD transmission rights-of-way or rights-of-way anticipated for other proposed projects.
- 2) Adjacent to railroads or adopted freeway routes.
- 3) Along or adjacent to arterial streets where existing or planned uses are commercial or industrial.
- 4) Adjacent to or through existing or planned commercial, industrial, or agricultural uses.
- 5) Along arterial streets where uses in the plan are predominantly commercial, but include residential uses.



- 6) Through residential areas, including side and rear yards, irrespective of density.

The City of Sacramento's preferential locations for substations are in the order specified below:

- 1) Areas designated for industrial or commercial land uses in an adopted plan.
- 2) Undeveloped areas designated for residential use in an adopted plan.
- 3) Areas designated Agriculture (A) in an adopted plan.
- 4) Sites designated for residential use in an adopted plan and surrounded by existing residential uses.

Please see Chapter 17.24.050 Footnote 61, of the City of Sacramento's Zoning Ordinance regarding High Voltage Transmission Facilities.

Noise: A copy of the City's Noise Ordinance and criteria will be provided as requested.

Population and Housing: Please see comments under Land Use and Planning regarding Population and Housing. The EIR should consider potential impacts to the densities proposed in the City of Sacramento's SOI amendment.

If desired, City staff would be happy to discuss our comments with you further. Please consider the incorporation of our comments into the EIR discussion. Please keep us on your distribution list for any future items regarding this project. Thank you for the opportunity to comment on the NOP for the subject project. If the proposed annexation is successful, we request to participate in the project level EIR where specific routes will be proposed.

If you have any questions regarding our comments, please contact Steve Peterson at 808-5981, or Ashley Feeney at 808-1941.

Sincerely,



Ashley Feeney
Assistant Planner

Cc: Carol Shearly, Interim Planning Director
Steve Peterson, Principal Planner



Special-Status Species

The following special-status species are known to occur within the natural habitats most likely to be present within the Policy Area boundaries. These and other species potentially occurring in the Policy Area can be found in Table 6.1-1. Figure 6.1-2 shows the locations of sensitive elements within the Policy Area.

Table 6.1-1. Special-Status Species Potentially Occurring in the City of Sacramento's 2005 General Plan Update Policy Area

Scientific Name	Common Name	Status Fed/State/ Other	Habitat
Plants			
<i>Astragalus tener</i> var. <i>tener</i>	Alkali milk-vetch	-/-/1B	Vernal pools, playas and Valley grasslands on adobe clay and/or alkaline soils.
<i>Atriplex depressa</i>	Brittlescale	-/-/1B	Chenopod scrub, meadows, playas, valley grassland, vernal pools. Usually in alkali scalds or alkali clay in meadows or annual grassland.
<i>Atriplex joaquiniana</i>	San Joaquin saltbush	-/-/1B	Chenopod scrub, alkali meadow, valley and foothill grassland.
<i>Balsamorhiza macrolepis</i> var. <i>macrolepis</i>	Big-scale balsamroot	-/-/1B	Grassland
<i>Cordylanthus mollis</i> var. <i>hispidus</i>	Hispid bird's beak	FSC/-/1B	Grassland/ vernal pool.
<i>Cordylanthus palmatus</i>	Palmate-bracted bird's-beak	E/E/1B	Chenopod scrub, valley and foothill grassland. usually on alkaline clay, with <i>Distichlis</i> , <i>Frankenia</i> , etc.
<i>Downingia pusilla</i>	Dwarf downingia	-/-/2	Vernal pool
<i>Hibiscus lasiocarpus</i>	Rose mallow	-/-/1B	Freshwater marshes and swamps in the Central Valley.
<i>Gratiola heterosepala</i>	Boggs Lake hedge-hyssop	-/E/1B	Vernal pool
<i>Juglans hindsii</i>	Northern California black walnut	-/-/1B	Riparian forest, and woodland. Few extant native stands remain; but is widely naturalized from rootstock plants.
<i>Juncus leiospermus</i> var. <i>ahartii</i>	Ahart's dwarf rush	FSC/-/1B	Vernal pool
<i>Legenere limosa</i>	Legenere	FSC/-/1B	Vernal pool
<i>Lepidium latipes</i> var. <i>heckardii</i>	Heckard's peppergrass	-/-/1B	Valley and foothill grassland and vernal pools on alkaline soils.
<i>Navarretia myersii</i>	Pincushion navarretia	-/-/1B	Vernal pool
<i>Orcuttia tenuis</i>	Slender orcutt grass	T/E/1B	Vernal pool
<i>Sagittaria sanfordii</i>	Sanford's arrowhead	FSC/-/1B	Marshes and swamps (assorted shallow fresh water).
Invertebrates			
<i>Branchinecta lynchi</i>	Vernal pool fairy shrimp	T/-	Vernal pools and seasonal wetlands in grassland habitats.
<i>Desmocerus californicus dimorphus</i>	Valley elderberry longhorn beetle	T/-	Elderberry shrubs, typically in or near riparian areas.
<i>Lepidurus packardi</i>	Vernal pool tadpole shrimp	E/-	Vernal pools and seasonal wetlands in grassland habitats.
<i>Linderiella occidentalis</i>	California linderiella	FSC/-	Vernal pools and seasonal wetlands in grassland habitats.
Fish			
<i>Archoplites interruptus</i>	Sacramento Perch	-/CSC	Historically found in the sloughs, slow-moving rivers, and lakes of the central valley. Prefer warm water. Aquatic vegetation is essential for young. Tolerant of a wide range of physio-chemical water conditions.
<i>Oncorhynchus tshawytscha</i>	Central Valley spring run Chinook salmon	T/T	Occurs in the Pacific Ocean for most of its life. Travels to clean gravel beds in the upper

Table 6.1-1. Special-Status Species Potentially Occurring in the City of Sacramento's 2005 General Plan Update Policy Area

Scientific Name	Common Name	Status Fed/State/ Other	Habitat
			Sacramento and portions of the American River for spawning.
<i>Oncorhynchus tshawytscha</i>	Central Valley Winter run Chinook salmon	E/E	Occurs in the Pacific Ocean for most of its life. Travels to clean gravel beds in the upper Sacramento and portions of the American River for spawning.
<i>Oncorhynchus mykiss</i>	Central Valley steelhead	T/-	Occurs in the Pacific Ocean for most of its life. Travels to clean gravel beds in the upper Sacramento and portions of the American River for spawning.
<i>Hypomesus transpacificus</i>	Delta smelt	T/T	Occurs in Sacramento-San Joaquin Delta most of the year. Spawns in tidally influenced freshwater wetlands and seasonally submerged uplands along the Sacramento River, downstream from its confluence with the American River.
<i>Pogonichthys macrolepidotus</i>	Sacramento splittail	SC/CSC	Endemic to the lakes and rivers of the central valley, but now confined to the Delta, Suisun Bay & associated marshes. Prefers slow moving river sections, dead end sloughs. Requires flooded vegetation for spawning & foraging for young.
Amphibians			
<i>Spea hammondi</i>	Western spadefoot	-/CSC	Breeds in seasonal wetlands and large vernal pools, spends most of the year underground in adjacent upland areas.
Reptiles			
<i>Actinemys marmorata</i>	Western pond turtle	FSC/CSC	Ponds, streams, rivers, marshes and canals with suitable basking sites and vegetative cover. Nests and aestivates in adjacent uplands.
<i>Phrynosoma coronatum frontale</i>	California horned lizard	FSC/CSC/n one	Annual grassland, chaparral, saltbush scrub, alkali flats, oak woodland, riparian woodland, and coniferous forest; open habitats with loose fine (often sandy) soils.
<i>Thamnophis gigas</i>	Giant garter snake	T/T/--	Cattail and tule marshes, low gradient streams, rice fields and canals on the Valley floor.
Birds			
<i>Accipiter cooperii</i>	Cooper's hawk	-/CSC (Nesting)	Nests and forages in woodland habitats.
<i>Agelaius tricolor</i>	Tricolor blackbird	FSC/CSC	Nest in dense stands of cattails, thickets of willows, blackberries, or tall herbs adjacent to open grasslands.
<i>Accipiter striatus</i>	Sharp-shinned hawk	-/CSC (Nesting)	Nests in forests; forages in wooded habitats
<i>Aquila chrysaetos</i>	Golden eagle	FP/CSC	Nests on cliffs and very large trees. Forages primarily in grasslands and chaparral, but also woodlands and other relatively open habitats.
<i>Asio otus</i>	Long-eared owl	-/CSC (Nesting)	Nests and forages in oak and riparian woodlands.
<i>Athene cucularia</i>	Burrowing owl	SC/CSC	Grassland, deserts and other open habitats. Requires ground squirrel or other small mammal burrows for nesting.
<i>Buteo regalis</i>	Ferruginous hawk	FSC/CSC	Forages in open grasslands and chaparral. Not known to nest in California
<i>Buteo swainsoni</i>	Swainson's hawk	-/T	Nests in riparian trees; forages in open fields

Table 6.1-1. Special-Status Species Potentially Occurring in the City of Sacramento's 2005 General Plan Update Policy Area

Scientific Name	Common Name	Status Fed/State/ Other	Habitat
<i>Circus cyaneus</i>	Northern harrier	–/CSC	Nests in freshwater marsh and agricultural fields; forages in marshes, grasslands and agricultural fields.
<i>Elanus leucurus</i>	White-tailed kite	FSC/FP (Nesting)	Nests colonially in large trees adjacent to open grasslands for foraging.
<i>Eremophila alpestris</i>	Horned lark	SC/CSC	Forages and nests in open grasslands.
<i>Lanius ludovicianus</i>	Loggerhead shrike	–/CSC	Nests in woodlands adjacent to grassland foraging habitat.
<i>Progne subis</i>	Purple martin	–/CSC	Nest in cavities in trees, under bridges and other human-made structures.
<i>Riparia riparia</i>	Bank swallow	–/T	Nests in sandy banks or cliffs, usually over water (typically rivers and streams).
Mammals			
<i>Antrozous pallida</i>	Pallid bat	FSC/CSC/ none	Roosts in crevices in caves, mines, large rock outcrops, under bridges and in abandoned buildings. Forages on or near the ground in a wide variety of open habitats.
<i>Corynorhinus townsendii townsendii</i>	Pacific western big eared bat	FSC/CSC/n one	Roosts in the open in large caves, abandoned mines and buildings. Very sensitive to roost disturbance.
<i>Myotis ciliolabrum</i>	Small-footed myotis bat	FSC/CSC/n one	Occurs in most of California except the coastal redwood region; roosts in buildings, trees, and crevices in cliffs.
<i>Myotis volans</i>	Long-legged myotis bat	FSC/CSC/ none	Roosts in crevices in caves, mines, large rock outcrops, under bridges and in abandoned buildings. Forages in a wide variety of open habitats, frequently over water.
<i>Myotis yumanensis</i>	Yuma myotis bat	FSC/CSC/n one	Common along wooded canyon bottoms throughout California; roosts in buildings, large trees with hollows, and crevices in cliffs.
<i>Perognathus inornatus</i>	San Joaquin pocket mouse	FSC/CSC/n one	Open grasslands, preferably (but not restricted to) areas with friable soils.

Notes:

Scientific names are based on the following source: California Department of Fish and Game, Special Animals, July 2000.

Status = Status of species relative to the Federal and California State Endangered Species Acts and Fish and Game Code of California.

Fed = Federal status.

E = Federally listed as endangered.

T = Federally listed as threatened.

PE = Proposed endangered.

PT = Proposed threatened.

C = Federal candidate for listing as threatened or endangered.

FSC = Federal species of concern.

CA = California status.

E = Endangered; Species whose continued existence in California is jeopardized.

T = Threatened; Species that although not presently threatened in California with extinction, is likely to become endangered in the foreseeable future.

CSC = California Department of Fish and Game "Species of Special Concern". Species with declining populations in California.

FP = Fully protected against take pursuant to the Fish and Game Code Section 3503.5.

– = No California or federal status.

CNPS – California Native Plant Society

1A – Plant species that is presumed extinct in California.

1B - Plant species that is rare or endangered in California or elsewhere.

2 - Plant species that is rare or endangered in California, but is more common elsewhere.

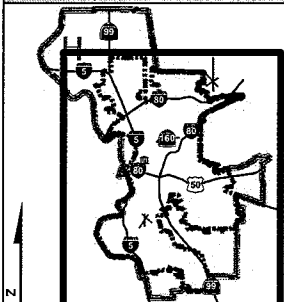
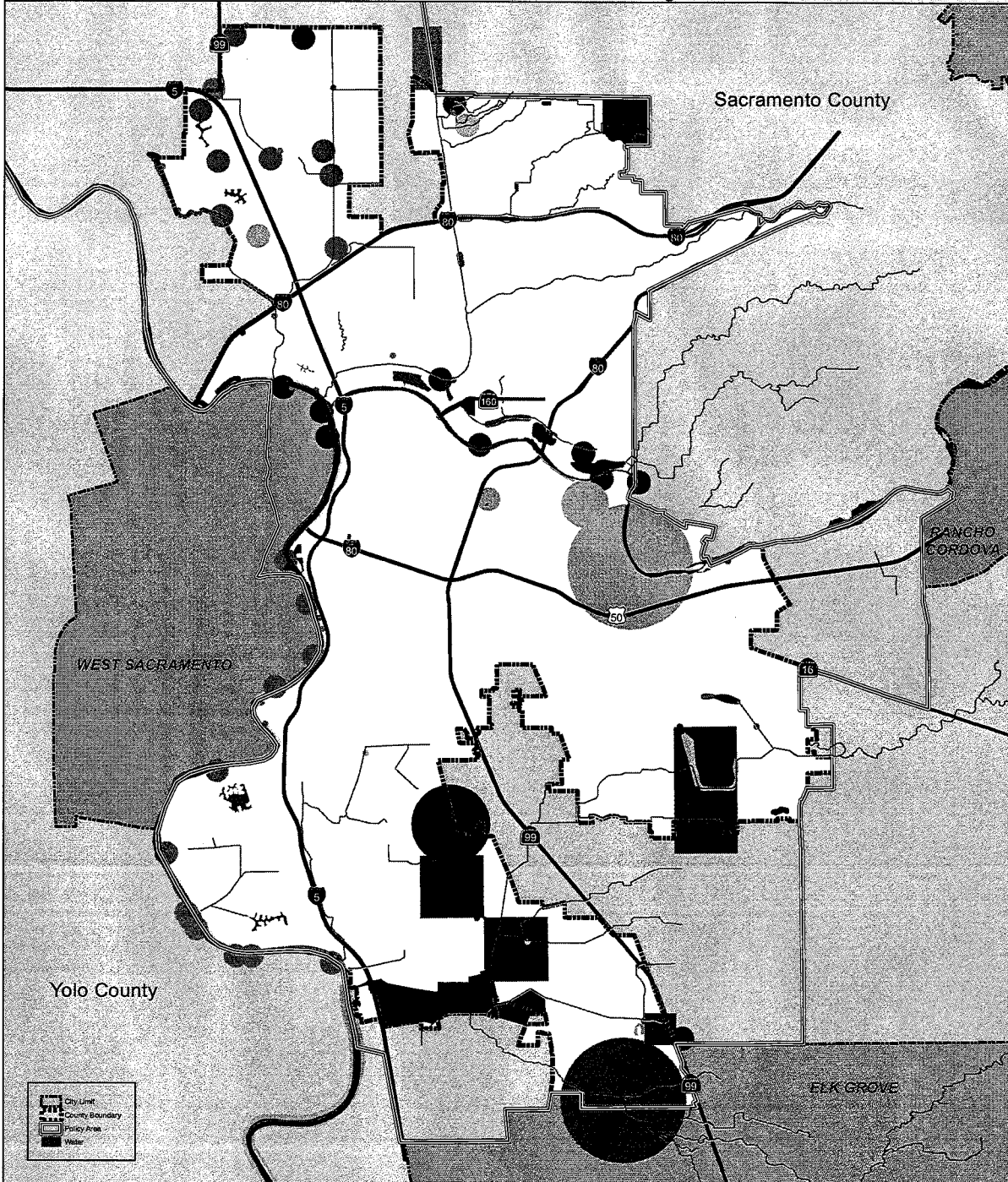
3 - Plant species for which more information is needed to determine status.

4 - Plant species that have a limited distribution.

Source: California Department of Fish and Game, California Natural Diversity Database, 2005.

CITY OF SACRAMENTO GENERAL PLAN

Building a Great City



Legend

Sensitive Elements

- | | |
|--|--|
| BANK SWALLOW | PURPLE MARTIN |
| BURROWING OWL | ROSE-MALLOW |
| CALIFORNIA LINDERELLA | SACRAMENTO PERCH |
| COOPER'S HAWK | SACRAMENTO SPLITTAIL |
| ELDERBERRY SAVANNA | SANFORD'S ARROWHEAD |
| GIANT GARTER SNAKE | SWAINSON'S HAWK |
| GREAT BLUE HERON | TRICOLORED BLACKBIRD |
| GREAT EGRET | VALLEY ELDERBERRY LONGHORN BEETLE |
| LEGERE | VERNAL POOL FAIRY SHRIMP |
| NORTHERN CALIFORNIA BLACK WALNUT | VERNAL POOL TADPOLE SHRIMP |
| NORTHERN CLAYPAN VERNAL POOL | WESTERN POND TURTLE |
| NORTHERN HARDPAN VERNAL POOL | WHITE-TAILED KITE |
| Not yet surveyed, potential biological resource study area | North Sacramento Park Protected Wetland Area |

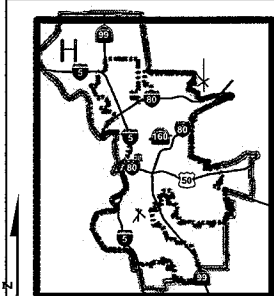
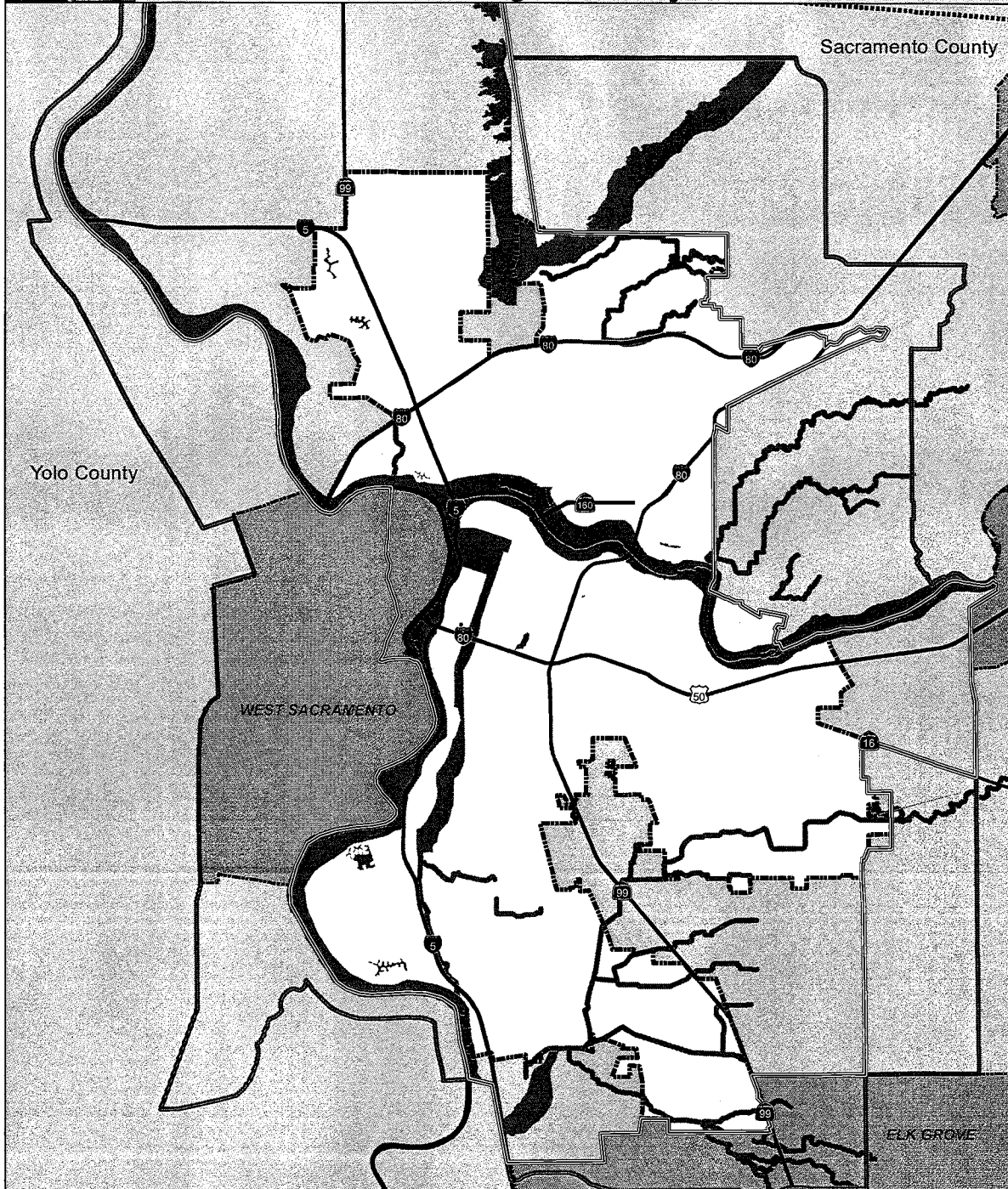
Figure 6.1-2
Biological Resources
Sensitive Elements

U.S. Fish and
Wildlife Service
Wetlands
data current
as of 2003



CITY OF SACRAMENTO GENERAL PLAN

Building a Great City



Legend

- | | |
|-----------------|----------|
| City Limit | High |
| County Boundary | Moderate |
| Policy Area | |
| Study Area | |
| Water | |
| Highway | |

Figure 6.3-1

Archaeological Sensitivity

Data source: Peak & Associates 2005



"Peter Brundage "
<Peter.Brundage@SacLAFCo.org>

10/04/2005 08:24 AM

Please respond to
<Peter.Brundage@SacLAFCo.org>

To <Brian_R_Smith@URSCorp.com>, <MDeis@smud.org>, <Anja_Kelsey@URSCorp.com>

cc

bcc

Subject FW: NOP of EIR for Amendment of SOI for SMUD and annexation, etc.

-----Original Message-----

From: Karen Diepenbrock [mailto:kdiepenbrock@diepenbrock.com]
Sent: Monday, October 03, 2005 4:17 PM
To: Peter.Brundage@SacLAFCo.org
Subject: NOP of EIR for Amendment of SOI for SMUD and annexation, etc.

Dear Mr. Brundage,

RE: Notice of Preparation of a Program Environmental Impact Report for the Amendment of the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) and Annexation by SMUD of the Cities of West Sacramento, Davis and Woodland, and portions of Unincorporated Areas of Yolo County project.

In response to the above referenced request to comment on the Notice of Preparation, please find the following documents:

1. Letter to Peter Brundage (10-3-05), with enclosures as follows:
 - a. Copy of the MOU Executed by Sacramento City-County 12-10-02)
 - b. Copy of the Robert Fountain North Natomas Report (5-23-05)

Please call with any question or comment.

Very truly yours,

Karen L. Diepenbrock
Diepenbrock Harrison
400 Capitol Mall, Ste 1800
Sacramento, CA 95814
(916) 446-4469
(916) 446-4535 Fax
e-mail: KLD@Diepenbrock.com

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E-mail: KLD@Diepenbrock.com



266.ltr.Peter Brundage (SMUD) (10-3-05).doc.pdf MOU Sacramento City-County Executed (12-10-02).pdf



Fountain North Natomas Report May 23 2005.FINAL.doc



diepenbrock•harrison

A PROFESSIONAL CORPORATION

JOHN Y. "JACK" DIEPENBROCK
KAREN L. DIEPENBROCK
KEITH W. MCBRIDE
BRADLEY J. ELSEN
EILEEN H. DIEPENBROCK
MARK O. HARRISON
GENE K. CHEEVER
MICHAEL Y. BRADY
LAWRENCE B. GARCIA
SUSAN E. KIRKGAARD
ANDREA A. MATARAZZO
JOEL P. EBB

GEORGE V. HARTMANN
Of Counsel

JEFFREY L. ANDERSON
JOANNE H. BYSACH
MICHAEL E. VINDING
JENNIFER L. DAWER
CHAD O'REAL MUILENBURG
SEAN K. HUNGERFORD
LEONOR Y. DICICAN
CHRIS A. McCANDLESS
JEFFREY K. DORSO
DAN H. SILVERBOARD
ANDREW P. TAURIANEN
BLAIR W. WILL

R. JAMES DIEPENBROCK
[1929 - 2002]

October 3, 2005

Via U.S. Mail and E-mail to: Peter.Brundage@SacLAFCo.org

Mr. Peter Brundage
Executive Officer
Sacramento Local Agency Formation Commission
1121 L Street, Suite 100
Sacramento, CA 95814

RE: Notice of Preparation of a Program Environmental Impact Report for the Amendment of the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) and Annexation by SMUD of the Cities of West Sacramento, Davis and Woodland, and portions of Unincorporated Areas of Yolo County project.

Dear Mr. Brundage:

I understand that the Sacramento Local Agency Formation Commission (LAFCO) is preparing an Environmental Impact Report for the Amendment of the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) and Annexation by SMUD of the Cities of West Sacramento, Davis and Woodland, and portions of Unincorporated Areas of Yolo County Project.

I have reviewed the Notice of Preparation your Commission has prepared for the project and I would like to suggest that you consider the following issues as you prepare that Report, all of which relate to a proposal to consider locating a new double circuit line connecting Elverta Substation to Woodland Substation along Elverta Road. I appreciate that LAFCO is preparing a Program EIR only, but because the issues are so significant, I believe they should be considered in light of the Study Area within which SMUD is proposing to place certain power lines.

For the reasons discussed below, on behalf of Brookfield Land Company and the owners of more than 1,800 acres which border or are in the immediate vicinity of Elverta Road, we ask that SMUD select (and LAFCO recommend) an alternative which does not impact Elverta Road.

400 CAPITOL MALL
SUITE 1800
SACRAMENTO, CA 95814

WWW.DIEPENBROCK.COM 916 492.5000
FAX: 916 446.4535

DIEPENBROCK HARRISON

Mr. Peter Brundage

October 3, 2005

Page 2 of 4

1. **Negative Impacts on Joint Vision Development Area.** The Elverta Road alignment will adversely impact the Joint Vision Development Area. The Joint Vision Development Area is an area designated by the City of Sacramento and the County of Sacramento as a future development area serving not just the City and County but the broader region. The Joint Vision concept is memorialized in a Memorandum of Understanding adopted by Resolutions of the County of Sacramento and the City of Sacramento on December 10, 2002 (copy enclosed). The Joint Vision calls for a major growth area close to the City's urban core, extending from Elkhorn Boulevard to one mile north of Elverta Road. SMUD's double circuit line will severely impact this proposed development along Elverta Road in that (i) the number of homes which can be built will be reduced due to loss of developable acreage and setbacks; (ii) circulation to the Joint Vision area will be impaired north of Elverta Road; (iii) the value of remaining land will be reduced; and (iv) urban sprawl will be encouraged by reducing developable land and necessitating substantial buffers. We ask that LAFCO consider the importance of the Joint Vision area to the region and avoid any impacts.

2. **Negative Impacts on "Blueprint" Policies.** In December 2004, the Sacramento Area Council of Governments ("SACOG") Board of Directors adopted the "Preferred Blueprint Alternative", which adopted broad ranging regional policies for the greater Sacramento region. Preparatory to adopting the "Blueprint", SACOG completed a major planning effort involving citizens throughout the region, in an effort to help shape the urban development process in accordance with "smart growth" principles. Critical "Blueprint" principles include compact development, much higher densities, avoidance of sprawl by developing maximum densities close to urban cores, and transit-oriented development. Under "Blueprint" principles the Natomas Joint Vision area is slated for major residential development that will serve to improve the job/housing balance in the City of Sacramento, aid regional economic development, and provide dense urban development in accordance with "smart growth" principles. Extending overhead power lines through a proposed dense development area will conflict with "Blueprint" principles seeking to maximize development close to urban centers where jobs are plentiful and transit available.

3. **Negative Impacts on Light Rail Extension.** Both the Joint Vision and the SACOG "Blueprint" acknowledge the importance of public transportation and the opportunity the Joint Vision will provide to add

DIEPENBROCK HARRISON

Mr. Peter Brundage

October 3, 2005

Page 3 of 4

additional ridership to Regional Transit's proposed light rail extension to Sacramento International Airport. This potential additional ridership resulting from high residential densities in this region could be a critical element in obtaining federal support for the light rail extension.

4. **The proposed Elverta Road alignment interferes with the proposed new runway** at Sacramento International Airport as it would place structures within the required buffer zone. The Airport is a major SMUD client and important to the entire region and alternatives which severely impact the Airport should not be selected.
5. **Loss of Economic Potential.** As to the economic importance of the Joint Vision area, I enclose a copy of Dr. J. Robert Fountain's recent report which highlights Natomas's crucial regional economic role. For example, on page 19 of the report, Dr. Fountain reports that the adjacent North Natomas Community Plan produces a total output of \$145 million and supports 1,138 jobs in the City of Sacramento. The City and County hope for a similar economic impact from the Joint Vision. We believe that by reducing densities and developable acreage, the Elverta Road alignment adversely impacts a crucial regional economic engine. We ask that LAFCO give careful consideration to these concerns.
6. **Adverse Impacts on Interchange.** In order to accommodate the Joint Vision there will be a new interchange at SR 99 and Elverta Road. The new interchange will require a minimum of 35 acres for a 6-lane overpass, 2-lane on-off ramps at each quadrant. As we see it, the SMUD power lines and the new interchange are incompatible in all respects.
7. **School Siting Issues.** As you are aware, State of California standards preclude locating public schools within a substantial distance of any parcel containing high voltage power lines. By extending the SMUD lines along the north side of Elverta Road, substantial areas of proposed development will be off limits for schools, notwithstanding that these may be the preferred locations.
8. **Additional Costs.** We respectfully ask that LAFCO and SMUD take into the account the very high value of this development land. In its cost analysis and budget planning, SMUD will want to plan on significant acquisition costs, as the supply of development land within the Sacramento urban core is growing very scarce and exceedingly valuable. In addition, there will be additional costs for severance damages to

DIEPENBROCK HARRISON

Mr. Peter Brundage

October 3, 2005

Page 4 of 4

adjacent land and for setbacks. While we appreciate that cost is not the only consideration SMUD (or LAFCO) will need to take into account, we believe very high land acquisition costs are a valid concern and should play a role in the decision-making process.

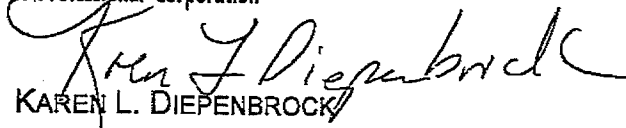
9. **Community Opposition.** Because the SMUD lines are incompatible with the proposed high density residential and commercial development in this location, we believe there will be significant landowner, community and governmental opposition to the Elverta Road alignment. The City of Sacramento has already expressed its opposition to this location to SMUD. While we appreciate that opposition alone cannot be a reason to eliminate this alternative, the likelihood of strong community opposition based on legitimate planning principles and long adopted plans strongly suggests that the Elverta Road alignment should not be selected.

We respectfully ask that LAFCO consider the issues we have identified and recommend against the Elverta Road location.

Very truly yours,

Diepenbrock Harrison

A Professional Corporation



KAREN L. DIEPENBROCK

KLD:nvl
enclosures

RESOLUTION NO. 2002-830

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON THE DATE OF DEC 10 2002

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND COUNTY OF SACRAMENTO REGARDING PRINCIPLES OF LAND USE AND REVENUE SHARING FOR THE NATOMAS AREA (JOINT VISION). (M02-014)

CERTIFIED AS TRUE COPY
OF Resolution 2002-830
January 13, 2003
DAILY CERTIFIED
Valerie G. Burrowes
CITY CLERK, CITY OF SACRAMENTO

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

WHEREAS, the County and the City have mutual policy and economic interests in the long term development and permanent preservation of open space within that area of the County known as Natomas, which area is generally depicted on Exhibit A of the Memorandum of Understanding (MOU); and

WHEREAS, cooperation between the County and the City is an opportunity to develop a vision for Natomas which reflects areas of collective interest. This Shared Policy Vision is contained in Exhibit B to this memo; and

WHEREAS, the County and City desire to establish principles to form the parameters of a future agreement or agreements encompassing the manner in which the County and City share revenue and land use decisions within the Natomas area.

NOW THEREFORE, be it resolved by the City Council of the City of Sacramento, as follows:

The City Manager is authorized to execute on behalf of the City the Memorandum of Understanding between the City and County of Sacramento regarding principles of land use and revenue sharing for the Natomas area (Joint Vision) on file with the City Clerk.

HEATHER FARGO

MAYOR

ATTEST:

VALERIE BURROWES
CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: **2002-830**
DATE ADOPTED: **DEC 10 2002**

WHEREAS, the County and the City have mutual policy and economic interests in the long term development and permanent preservation of open space within that area of the County known as Natomas, which area is generally depicted on Exhibit A of the Memorandum of Understanding (MOU); and

WHEREAS, cooperation between the County and the City is an opportunity to develop a vision for Natomas which reflects areas of collective interest. This Shared Policy Vision is contained in Exhibit B to this memo; and

WHEREAS, the County and City desire to establish principles to form the parameters of a future agreement or agreements encompassing the manner in which the County and City share revenue and land use decisions within the Natomas area.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors Authorizes the County Executive to execute on behalf of the County the Memorandum of Understanding between the City and County of Sacramento regarding principles of land use and revenue sharing for the Natomas area (Joint Vision) on file with the City Clerk.

On a motion by Supervisor Dickinson, Seconded by Supervisor Collin, the foregoing resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California, at a regular meeting thereof this 10th day of December, 2002 by the following vote, to wit:

AYES:	Supervisors:	Collin, Dickinson, Johnson, Niello, Nottoli;
NOES:	Supervisors:	None
ABSENT:	Supervisors:	None
ABSTAIN:	Supervisors:	None

In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chairman of the Board of Supervisors, County of Sacramento on

Don Nottoli

Chair, Board of Supervisors

By *Kay F. Johnson*
Deputy Clerk, Board of Supervisors

FILED

DEC 10 2002

BOARD OF SUPERVISORS
Bindy H. Turner
CLERK OF THE BOARD

The foregoing is a correct copy of a resolution adopted by the Board of Supervisors, Sacramento County, California

on 12-10-2002
Dated 12-10-2002
Clerk of said Board of Supervisors

By *Kay F. Johnson*
Deputy



ATTEST: *Sandra Leaky*
Deputy Clerk, Board Of Supervisors

Attachment A
**MEMORANDUM OF UNDERSTANDING BETWEEN
THE COUNTY OF SACRAMENTO AND
THE CITY OF SACRAMENTO
REGARDING PRINCIPLES OF LAND USE AND REVENUE SHARING
FOR NATOMAS AREA**

This Memorandum of Understanding (MOU) is entered into this 10th day of December 2002, by and between the County of Sacramento, a political subdivision of the State of California (hereinafter referred to as "County") and the City of Sacramento, a chartered, California municipal corporation (hereinafter referred to as "City");

WHEREAS, the intent of the MOU and Joint City and County Natomas Vision is to reach a formal conceptual agreement for broad collaboration between the City and County regarding principles for growth, revenue sharing, and permanent open space preservation in the unincorporated portion of the Natomas Basin within Sacramento County.

WHEREAS, the County and the City have mutual policy and economic interests in accommodating long term development while securing permanent preservation of open space within that area of the County known as Natomas, which area is generally depicted on Exhibit A to this MOU; and

WHEREAS, cooperation between the County and the City is an opportunity to develop a vision for Natomas which reflects areas of collective interest. Protecting and maximizing existing, and future, airport operations, open space preservation, and fair distribution of revenue are shared core values. There is a common stake in pro-actively influencing the emerging urban form, by guiding inevitable growth to provide for residential and employment opportunities close to the region's urban core. This promotes improved air quality through trip reductions, and distance traveled, and maximizes the return on existing and future public infrastructure investment in Natomas, this Shared Policy Vision is contained in Exhibit B to this memo; and

WHEREAS, together, the City and County can forge a leadership role on a regional scale for growth management. Such a cooperative effort can address land use, economic development, and environmental opportunities and challenges in Natomas. The result can be quality development balanced with permanent open space preservation systems; and

WHEREAS, Cities and counties are dependent upon tax revenues generated by continued commercial and industrial growth. The tax system creates intense competition between jurisdictions and can lead to economic development at the expense of good land use planning. Such competition between the City and County can be reduced or eliminated by establishing a revenue sharing agreement. In this way, each jurisdiction can benefit from economic development through cooperation rather than competition; and

WHEREAS, the County and City desire to establish principles to form the parameters of a future agreement or agreements encompassing the manner in which the County and City share revenue and land use decisions within the Natomas area; and

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WHEREAS, the County and the City desire to pursue jointly proposed common principles to define the parameters of a future agreement or agreements encompassing the manner in which the County and City share revenue and land use decisions within the Natomas area; and

WHEREAS, should the County and the City wish to adopt and implement the proposed common principles set forth in the MOU, each will be required to undertake a series of discretionary legislative actions, including but not limited to amendments of their respective general plans and agreements concerning revenue sharing, all of which will require the exercise of legislative discretion, and all of which will require compliance with CEQA, notice and public hearings, and satisfaction of all other applicable requirements of federal, state and local law.

WHEREAS, the County and the City recognize that, pursuant to the California Environmental Quality Act (CEQA) and other state and federal statutes, additional environmental analysis will be required for any development beyond that contemplated by the current land use plans of the jurisdictions, including the current North Natomas Community Plan (NNCP) of the City of Sacramento; and

WHEREAS, the County and City recognize that, should the governmental entities interested in, or involved with, any further development of the North Natomas Basin wish to pursue such development, they will necessarily have to propose and consider a new, separate or enhanced Habitat Conservation Plan (HCP) to address development impacts to protected species under federal and state endangered species laws; and

WHEREAS, the County and City recognize that, the proposed HCP currently under consideration by the City, Sutter county and the relevant federal (U.S. Fish & Wildlife Service) and state (Department of Fish and Game) agencies deals solely with the mitigation requirements for development under the current land use plans for those jurisdictions, including the current NNCP of the City, and that any further Natomas Basin development plans for these jurisdictions and the County, including future development pursuant to the proposed principles set forth in this MOU, will require additional or alternative mitigation, and additional environmental analysis.

WHEREAS, the County and the City acknowledge that approval of this MOU changes no existing land uses approved by either the County or the City nor commits the County or the City to specific land uses or to agreement on any specific annexations to the City. Approvals necessary for such commitments have not been considered by either the County, the City or any other appropriate authority.

NOW, THEREFORE, the County and City agree as follows:

Purpose of MOU: The purpose of this MOU is to define a mutually acceptable set of proposed principles that the City and the County are prepared to consider when considering the future land use planning and revenue sharing in the Natomas area. This MOU reflects the parties' definition of a proposed set of principles to govern future development in the Natomas areas that they are interested in studying and analyzing for possible future adoption and implementation upon completion of all necessary studies and work, including but not limited to the completion of all necessary environmental analyses under CEQA and other federal and state statutes.

I. Land use and revenue sharing within the Natomas areas should be guided as follows:

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A. Open Space.

- (1) Open space planning will rely on, and coordinate with, existing open space programs, and will address linkage issues. Some specific areas will be designated for preservation as permanent open space to provide assurance that community separators are implemented. Other areas may not require active preservation.
- (2) Open space mitigation may be in conjunction with or distinct from any applicable criteria of the Natomas Basin Habitat Conservation Plan (HCP) and may, depending upon circumstances, exceed that of the HCP. Any new development beyond that analyzed in the Natomas Basin HCP shall be required, subject to state and federal laws and regulations, adequate habitat and buffer areas sufficient to protect impacted endangered species. A joint funding mechanism will provide funding for land and easement acquisitions.
- (3) Land to be preserved as farmland must not be restricted by nearby development and needs to have a secure supply of affordable water. Buffer areas will be derived from developing lands.
- (4) An airport protection plan will protect the airport by preserving open space around it and keeping noise-sensitive development and waterfowl attractors in relatively distant areas. An emphasis on open space will also lend permanence to any buffers that are established. Such a plan may be achieved through a multi-jurisdictional agreement as to land uses designed to maximize airport protection.

B. Future Growth.

- (1) Consideration of new growth should be done in partnership with the preservation of open space. The urban form should include a well integrated mixture of residential, employment, commercial, and civic uses, interdependent on quality transit service with connections linking activity centers with streets, transit routes, and linear parkways with ped/bike trails.
- (2) The City, rather than the County, is the appropriate agent for planning new growth in Natomas and can better provide a full range of municipal services. The County is the appropriate agent for preserving open space, agricultural and rural land uses.
- (3) The County will preserve its interest in the planning and development of Sacramento International Airport and Metro AirPark.
- (4) New growth will be supportive of the City's Infill Strategy. It will contribute to the sustainability of established neighborhoods/ commercial corridors/business districts.
- (5) Development in Natomas will build on the vision of the currently planned growth in North Natomas, including the application of the City Council adopted (Resolution No. 2001-805) Smart Growth Principles.
- (6) Future Growth areas shall foster development patterns which achieve a whole and complete, mixed-use community.
- (7) The City, as the agent of development, will apply the adopted Smart Growth Principles to any new development in Natomas. Smart Growth Principles emphasize pedestrian and

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transit orientation by addressing density, efficient design, and urban open space to provide sustainable, livable communities with fewer impacts than standard development.

- (8) The City and County will develop a joint planning process for major uses in Natomas that are likely to have important economic impacts to existing commercial facilities in the city or county. Among the goals of that process will be to avoid competition for tax revenues, in favor of balanced regional planning.

C. Economic Development.

- (1) The area subject to revenue sharing between the County and the City shall include all that area depicted on Exhibit A except for those areas designated as Metro Air Park and the grounds of Sacramento International Airport, excepting those Airport properties currently used as buffer lands for Airport operations. If retail or commercial development other than Airport-related operations is permitted on such buffer lands, revenues derived from such development shall be subject to this MOU. For purposes of this section, airport-related operations are defined as airport support services such as terminal expansion, aviation fuel sales, aircraft maintenance and support; and hotel motel uses, to the extent such uses are existing or are relocated from existing premises.
- (2) The one percent, general ad valorem tax levy on all property within defined area, which is annexed to the City, shall be distributed, from the effective date of annexation, equally between the County and the City prior to accounting for the impact of distribution of such taxes to the Education Revenue Augmentation Fund.
- (3) It is generally intended that all other revenues from the area be shared as follows subject to an agreed upon projection of need for County or City services:
 - (a) Upon the effective date of the annexation of undeveloped property for single-purpose/regional tax generating land use the County and City will share the 1% Bradley-Burns sales tax and City General Fund share of transient occupancy tax equally.
 - (b) Upon issuance of certificates of occupancy, or their equivalent, property within the unincorporated area, except as excluded in Section C (1), which is approved for single-purpose/regional tax generating land use by County, the County and City will share the 1% Bradley-Burns sales tax and County General Fund share of transient occupancy tax equally.
 - (c) Upon the effective date of the annexation of undeveloped property for a Multi-Purpose/Master Planned Community Area but prior to commencement of development beginning, revenues (including the general ad valorem property tax but excluding special taxes, fees or assessments) shall be shared by comparing the projected City municipal revenues to projected City municipal expenses including capital/development costs funded by the City.

In the event of a projected City surplus (revenues exceed expenses), 50% of such surplus shall be allocated to the County by adjusting the County's property tax share for the area.

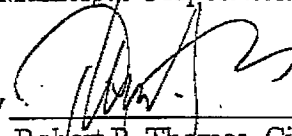
- (d) Upon the effective date of Annexation of any area developed for urban purposes as of the date of this MOU, the County municipal revenues transferred with the area shall be calculated against the costs of municipal services being transferred. The County's property tax share will be increased in the case of a surplus (i.e. County revenues transferred exceed County expenses transferred), and the City's share will be increased in case of a deficit (i.e. County revenues transferred are less than County expenses transferred). The County will consider a one-time contribution to the City upon annexation of any such area calculated on the basis of avoided, near-term capital maintenance costs together with a one-time contribution for the costs of necessary, significant infrastructure repairs which are identified prior to completion of annexation.
- (e) In the event either the County or the City approve development in a fashion which would require payment pursuant to Government Code Section 53084, the County or the City, as the case may be, should be entitled to the greater of the revenue calculated pursuant to either that section or the ultimate provisions of a revenue sharing agreement.
- (f) Should legislation be enacted which alters the manner in which local agencies are allocated revenue derived from property or sales taxes, any agreement shall be subject to good faith renegotiations.


II. The principles set forth are intended to guide further discussions and the ultimate negotiation of an agreement between the County and the City. It is recognized that certain of the terms used are subject to further definition and refined during the process of negotiation. It is the intent of the County and the City to work cooperatively to establish a review process, by agreement, to evaluate the likely impacts of large-scale commercial uses in Natomas on competing uses in the County and City. The goals of such a process will be to avoid competition for tax revenues, in favor of balanced regional planning and to assure that proposed land uses conform to the principles articulated in this MOU. It is further the intent of the County and the City that the revenue sharing principles set forth in this MOU shall govern the adoption of a Master Tax Sharing and Land Use Agreement for annexations.

Nevertheless, this Memorandum of Understanding is a good faith expression of the intent of the County and the City to cooperatively approach development and revenue within the Natomas area of our regional community.

CITY OF SACRAMENTO
A Municipal Corporation

COUNTY OF SACRAMENTO

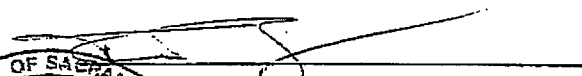
By  Thomas V. Lee
Deputy City Manager
For: Robert P. Thomas, City Manager

By 
Terry Schitten, County Executive

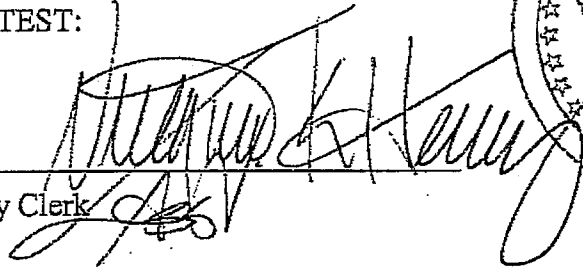
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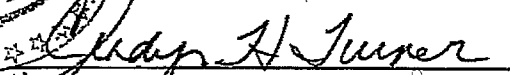
Paul E. Archbold 12-23-02
City Attorney


County Counsel

ATTEST:


City Clerk




Clerk of the Board

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EXHIBIT B
Joint City-County Shared Policy Vision in Natomas

I. Statement of Intent

The intent of this joint City and County Planning exercise is that both the City Council and Board of Supervisors will reach a formal agreement regarding growth, economic development and permanent open space preservation in the unincorporated portion of the Natomas Basin within Sacramento County. The agreement will be adopted by Sacramento County and the City of Sacramento.

1. Introduction

A. Background

A preliminary set of planning principles for Natomas was presented to the Board of Supervisors at a public workshop in May 2001. Before that, in June 2000, the City Council held a public hearing to consider goals and policies to modify the City Sphere of Influence for several study areas, including Natomas.

Subsequent discussions among City and County management and staff have fostered a spirit of mutual gain. There is opportunity to develop a vision for Natomas, which reflects areas of collective interest. Protecting and maximizing existing, and future, airport operations, open space preservation, and fair distribution of revenue are shared core values. There is a common stake in pro-actively influencing the emerging urban form, by guiding inevitable growth to provide for residential and employment opportunities in close to the regions urban core. This promotes air quality measures through trip reductions, and distance traveled, and maximizes the return on existing and future public infrastructure investment.

Together, the City and County will forge a leadership role on a regional scale for growth management. The cooperative effort addresses land use, economic development, and environmental opportunities and challenges in Natomas. The result will be quality development balanced with permanent open space preservation systems.

B. Vision - Cooperative Land Use Planning

The best way to insure sustainable community building in Natomas is for the City and County to plan jointly. Such an effort will provide opportunity to focus more on sound long-term planning principles, and less on quick return revenue generation. Such a planning policy foundation may be without precedent, however, the highly regarded American River Parkway Plan (ARP) stands as an excellent result of City-County cooperation. That plan also provides an example of an administrative structure that involves third-party ratification of any amendments to the plan.

II. Basic Issues

There are three main areas where the City and County will come to agreement, each comprised of several sub-issues.

1. Open Space

The planning principles offer agreement regarding the size, location, and nature of open space preservation areas in the Natomas area. The location of open space areas will be based in part on the natural value of the land (e.g. habitat value, community separators), but also on constraints to development (e.g. airport protection or flood-prone areas). This agreement will ultimately designate the location of open space and provide principles for its permanent preservation. Ideally, the County will be the agent for maintaining rural and agricultural land uses, and permanent open space preservation.

Open Space systems provide multiple values/ benefits for human needs (health, public safety, cultural, recreational, economic prosperity, and civic identity), for wildlife, for productive agriculture, and for a healthy, sustainable built environment. Open Space also contributes to the provision of clean air and water for the region. Open Space systems must be of adequate size to support their intended purpose, e.g., agricultural areas must be large enough to maintain the agricultural economy; regional recreation facilities must be diverse enough to accommodate multiple passive and active uses; habitat areas must be large enough to support the requirements of native species; vistas/viewsheds should be sufficient to provide a sense of place. Open Space systems should be linked by trails, act as community separators, and accommodate habitat conservation plan requirements.

2. Economic Development

Cities and counties are dependent upon tax revenues generated by continued commercial and industrial growth. The tax system creates intense competition between jurisdictions and can lead to economic development at the expense of good land use planning. This joint agreement will lessen competition between the City and County by establishing a revenue sharing agreement. In this way, each jurisdiction stands to benefit from economic development, without becoming subject to the forces of competition.

New development will be consistent with the City's Smart Growth Principles, by supporting reinvestment in existing communities, particularly designated infill areas, as an alternative to greenfield development. New growth will not detract from the sustainability of established neighborhoods, commercial corridors, and business districts in the city and county.

Sacramento International Airport is recognized as a regional asset for economic development. The vision will incorporate effective measures for protection of airport operations and expansion, such as where residential development will not be considered.

The Natomas Mutual Water District and Rio Linda/Elverta Parks and Recreation District currently provide services to the Natomas area and are, therefore, stakeholders in the economic development of the area. The City and County will cooperate with the districts to address their unique circumstances prior to the LAFCo process. The LAFCo process required for consideration of amendments to spheres of influence and annexation proposals will determine the appropriate roles for these districts.

3. Future Growth

The vision will provide the acreage and location for future growth, and identify principles to define the nature of growth appropriate for Natomas. Constraints and opportunities inherent in the land (e.g. habitat values) or its location (e.g. proximity to existing urbanization) will help define where growth is desired. The City will be the agent for growth, by planning areas to be developed.

Conclusion. Now is the time to seize the opportunity to craft the common vision for Natomas. This is best addressed through a cooperative planning effort between Sacramento City and County. This will curb land speculation, competition between jurisdictions and establish planning principles to guide growth in concert with permanent open space preservation.

III. Planning Issues and Principles

The City and County discussions regarding Natomas identified seven primary issues areas related to possible development in Natomas. Those issues areas are listed below along with principles that address the general concerns of the City or County. These principles will constitute the basis of an agreement between the City and County for making decisions regarding land uses.

1. Open Space
 - A. Open Space Preservation
 - B. Farmland Preservation
 - C. Airport Protection
2. Economic Development
 - A. Fiscal Collaboration
3. Future Growth
 - A. Jurisdictional Roles
 - B. Infill Linkages

1. Open Space

A. Open Space Preservation

1. Permanent Protection of Open Space. Achieve a permanent open space by acquiring land or easements. A variety of funding sources will be used to make land and easement acquisitions. Open Space encompasses lands that essentially are unimproved and that have limited development potential due to the physical characteristics of the land, due to value as a drainage or habitat corridor, due to land being restricted to agricultural production, due to location of the land as a community separator/ buffer between developed areas, or due to the scenic value of the land and its role in maintaining a community's sense of place or heritage.

2. Community Separators. Provide community separators at the Sutter/ Sacramento County line, by using open space that defines urban shape by providing gateways, landscaped freeway corridors, defined edges and view sheds. The community separator is land designated as permanent open space, by both the City and County General Plans, in order to avoid an uninterrupted pattern of urbanization, and to retain the character of distinct communities.

3. Open Space Linkages. Coordinate and connect permanent open space in Natomas with the larger open space systems to provide linkages for trail extensions and biological connectivity.
4. Mitigation Ratio. Require development to provide permanent open space, preserved in the Natomas area, at a mitigation ratio of at least one-to-one.

Implementation. The agreement will establish a policy framework for open space planning in Natomas which will rely on, and coordinate with, existing open space programs, and will address linkage issues. Some specific areas will be designated for preservation as permanent open space to provide assurance that community separators are implemented. Other areas, such as west of Sacramento International Airport, may not require active preservation because of specific constraints related to inadequate infrastructure or public ownership.

This mitigation may be in conjunction with or distinct from any applicable criteria of the Natomas Basin Habitat Conservation Plan (HCP). A minimum one-to-one mitigation ratio within the Sacramento unincorporated area of Natomas will exceed that of the HCP by one-half acre of mitigation per acre of development. A joint funding mechanism will provide funding for land and easement acquisitions.

B. Farmland Preservation

1. Require Mitigation for Losses. Plan land use in Natomas in a manner that minimizes and mitigates loss of overall agricultural productivity.

Implementation. Identify areas of Natomas that are to be developed or remain in general agriculture. Land to be preserved as farmland must not be restricted by nearby development and needs to have a secure supply of affordable water. Buffer areas will be derived from developing lands. The City and County shall work jointly with agricultural interests to develop a comprehensive program to assist in farmland viability.

C. Airport Protection

1. Protect Future Airport Operations. Plan land use in Natomas in a manner that will protect Sacramento International Airport from complaints originating from encroaching uses that might eventually limit its operations or future expansion.
2. Coordinate long range land use planning. The various affected jurisdictions will coordinate planning efforts to ensure the continued viable operations and expansion of Sacramento International Airport
3. Maintain Airport Safety Related to Habitat. Avoid compromising airplane safety when establishing open space by keeping waterfowl habitat at safe distances from the airport.

Implementation. A multi-jurisdictional airport protection plan will protect the airport by preserving open space around it and keeping noise-sensitive development and waterfowl attractors in relatively distant areas. An emphasis on open space will also lend permanence to any buffers that are established.

2. Economic Development

A. Fiscal Collaboration

1. Revenue Agreement. Adopt a Revenue Exchange Agreement.

Implementation. The City and County will negotiate an agreement that defines, and provides for, revenue exchange for development that occurs within the agreement area.

3. Future Growth

A. Jurisdictional Roles

1. City and County Roles. The City is the appropriate agent for planning new growth in Natomas. The County is the appropriate agent for preserving open space, agricultural and rural land uses.

2. Maintain County Interests. The County will preserve its interest in the planning and development of Sacramento International Airport and Metro AirPark.

Implementation. Define the roles of each jurisdiction in the agreement.

B. Infill Linkage

1. Support City Infill Strategy. New growth will be supportive of the City's Infill Strategy. It will contribute to the sustainability of established neighborhoods/ commercial corridors/ business districts.

Implementation. Create a linkage program between new growth and the City's Infill Strategy, extension of the Downtown/Natomas/Airport transit line and implementation of the North Natomas Community Plan goals and objectives as a part of the General Plan amendment process.

4. Urban Growth Principles

1. Smart Growth. Development in Natomas will build on the vision of the currently planned growth in North Natomas, including the application of Smart Growth Principles.

2. Regionally Significant Land Uses. The City and County will develop a joint planning process for major uses in Natomas that are likely to have important economic impacts to existing commercial facilities in the city or county.

3. Balanced Communities. Undeveloped areas shall foster development patterns which achieve a whole and complete, mixed-use community.

Implementation. The City, as the agent of development, will apply Smart Growth Principles to any new development in Natomas. Smart Growth Principles emphasize pedestrian and transit orientation by addressing density, efficient design, and urban open space to provide sustainable, livable communities with fewer impacts than standard development.

Establish a review committee, by agreement, to evaluate the likely impacts of large scale commercial uses in Natomas on competing uses in the county and city. The committee's goal will be to avoid competition for tax revenues, in favor of balanced regional planning.

IV. Identify Areas for Growth and Permanent Open Space Preservation

Consideration of new growth should be done in partnership with the preservation of open space. The urban form should include a well integrated mixture of residential, employment, commercial, and civic uses, interdependent on quality transit service with connections linking activity centers with streets, transit routes, and linear parkways with ped/bike trails.

V. Plan Administration and Agreement

The agreement will be adopted by Sacramento County and the City of Sacramento. It may also be desirable to have the agreement adopted by an outside party, e.g. the State Legislature (similar to the American River Parkway Plan) to provide additional strength to the agreement, and to require inter-jurisdictional coordination on agreement implementation.

The means to implement this common vision is yet to be defined. There are various instruments available for the legislative bodies of the City and County, such as a Joint Resolution, or a Memorandum of Understanding.

The agreement will consist of:

- o A map clearly delineating the areas for growth and for permanent open space and agricultural preservation.
- o The Planning Principles.
- o The implementation program including adoption of permanent open space and agricultural preservation strategies.

The implementation includes:

- o A third party agreement
- o Amendments to both General Plans to incorporate the common vision
- o Adoption of a Revenue Sharing Agreement
- o Define Goals, Roles and Responsibilities for the respective jurisdictions, and a mechanism for future, regional scale participation.

- o Benchmarks for performance
- o A funding program for permanent open space and agricultural preservation.

This cooperative planning effort is consistent with the Capitol Regional Compact, endorsed by both jurisdictions recently. Developed by Valley Vision, it promotes regional coordination, cooperation and collaboration. The compact defines four goals for future collaboration:

- o Create Regional Growth and Development Patterns
- o Coordinate Land Use, Infrastructure, Public Services and Transportation
- o Reinforce our Community Identities and Sense of Place
- o Protect and Enhance Open Space and Recreational Opportunities.

Economic Impacts of Natomas Area Housing for the City of Sacramento

Dr. Robert Fountain
May 23, 2005

J. Robert Fountain, Ph.D.
Regional Economics Consultant

395 West K Street
Benicia, CA 94510
916 719 2037
Fax 707 988 8806
jrfount@pacbell.net

**Economic Impacts of Natomas Area Housing
for the City of Sacramento**

Dr. Robert Fountain
May 23, 2005

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Economic Impacts of Natomas Area Housing for the City of Sacramento

Introduction

This report is an analysis of the economic functions and the absorption potential of the Natomas area. The report is based on economic rather than planning considerations, and contains a view of the region-wide importance of the area, which encompasses many considerations not explicit in the plan's initial design and implementation.

Once viewed as a greenfield project at the periphery of the Sacramento urbanized area, and a "permanent" boundary between urbanized and agricultural areas, North Natomas has now become a center of regional economic development, including the following projects which were probably not even envisioned during the North Natomas planning process:

- Continuing expansion of the Sacramento International Airport, assuring that it will become the national and international travel hub of the Central Valley over the long term.
- The Metro Air Park project, a 1,880-acre project adjacent to the plan area, with extensive commercial, industrial, and office space.
- Natomas MarketPlace and other proposed regional retail centers within the plan area which may become the largest contiguous retail concentration in the City of Sacramento.
- The possibility of a new arena to house the Sacramento Kings and other entertainment venues, which would make the area an entertainment center of the region and the Central Valley.
- The adjacent Sutter County Measure M project, which approved:
 - 1) 4,600 acres of commercial, industrial, retail, and community facilities which may employ about 79,000 on site at buildout.
 - 2) Residential construction to house an estimated population of 39,000

The residential areas of the Natomas project have met with great market success, and are being absorbed at a rate several times that which was anticipated when the project was planned. The construction process has created very large economic benefits for both the City of Sacramento and the region. Even more important in the long run is the effect of the incomes of the residents of the new housing, and the stream of benefits which their household consumption will bring to the City. The ultimate economic benefits, however,

have yet to be achieved, and will occur only when the employment areas within and adjacent to the project are developed to their full potential.

It is a concern that the housing component of the plan area is rapidly approaching full absorption, far ahead of initial projections, but in a manner which may ultimately prevent the overall Natomas area from achieving its full potential. Both the residential and employment benefits of the Natomas area to the City of Sacramento, and even to the overall Sacramento region, require an abundant and ongoing supply of new housing in the Natomas area to achieve its full economic potential.

The employment-generation areas along I-5 and I-80 are widely viewed as among the most promising sites remaining in Northern California, and may hold the region's greatest opportunities as sites for national or statewide corporate headquarters. The potential for the City of Sacramento to capture this quality of corporate development provides one of the City's prime opportunities to retain its position as the employment and economic core of the region. The attractiveness of the employment-generating sites includes not only the extraordinary access to freeways, downtown, the International Airport, and public transportation, but also the access to nearby communities which fill the full range of housing and community amenities needed by corporate employers.

The employment-generating areas of the plan area are currently essentially undeveloped, or are being diverted to retail and other uses which may not create the greatest long-term benefits to the City of Sacramento and the region. Some of this delay in market acceptance of the employment-generating areas is a function of the current business cycle, but there may also be opportunities for more vigorous marketing, pre-development, and economic development activity to accelerate this process.

The full economic potential of the Natomas area employment-generation areas will probably not be realized if the current trend of early residential build out occurs, and especially if the existing pattern of residential composition continues. Large developing projects like the Natomas area achieve an image as a progressive, entrepreneurial environment with high levels of opportunities. This is attractive to businesses because it reflects their views of their own companies, which are also in an expansive and entrepreneurial phase. As a result, a market momentum is generated in which the residential and the commercial developments are mutually supportive. Examples of this relationship have been seen in the Bishop Ranch Business Park development in San Ramon (Contra Costa County), and a number of similar projects in Orange and San Diego Counties, which were able to attract some of the nation's leading companies to locations with less transportation and market access than the Natomas area but with a superior housing mix for the corporate decision makers who located their firms there.

There is also the consideration of sustaining housing market momentum in the Natomas area to attract the highest level of housing quality and consumer demand. New housing project areas achieve a high level of public awareness and interest while in the development and absorption stages which allows them to attract a high level of interest from both builders and new home buyers. If the rate of new home construction slows as

the final parcels are developed, or if delays occur in the final planning and development process, this loss of momentum typically shifts the market attention to newer projects starting up elsewhere in the region, and it is seldom possible for the now slowly-growing project to regain its previous market position. The proximity of the Natomas area to large potentially developable areas in other nearby local jurisdictions makes it increasingly vulnerable to this market diversion risk.

The housing mix of the Natomas area project is also an issue in the overall economic potential. The current residential composition of the Natomas area contains primarily middle-ranges of home prices and community amenities, with virtually no areas which offer the housing qualities and community amenities desired by executive and professional corporate leaders. Community areas with larger homes, a higher level of open space and manmade amenities, and a higher degree of privacy would be an asset in reaching this market segment. The Joint Vision area is a likely location for this type of development.

There are therefore two issues facing the economic optimization of the Natomas area in terms of its ultimate value to the City of Sacramento and to the Sacramento Region.

1. The timing of build out of the residential areas in respect to the development of the employment-generating areas.
2. The mix of housing and community amenities within the Natomas area, and the effect on the potential uses of the employment-generating areas.

In both cases, the economic optimization to the City of Sacramento can be improved by three actions:

- (1) Expanding the ultimate quantity of housing in order to extend the project development horizon.
- (2) Providing a way to create additional communities with higher levels of housing and community amenities which fit the demands of executive and professional households.
- (3) Accelerating the market acceptance of the employment-generating areas.

This report will focus on the data and analysis related to the first two actions above, which are primarily housing quantity and quality issues. The continuation of new housing availability and opportunities for higher quality neighborhoods for executive and professional households in the Natomas area are important to achieving the City's ultimate benefits from the Natomas project.

It is time to review the initial limits of the project area and consider moving rapidly toward expanding the housing opportunities, including accelerating the planning of the Joint Vision area.

Synopsis

The North Natomas Community Plan was conceived as a model community plan incorporating the principles of neoclassical neighborhoods, pedestrian-friendly developments, and Smart Growth. Its elements include community-level retail within the residential boundaries, jobs-housing balance with large amounts of surrounding employment-generating land, and light rail service to downtown Sacramento.

For the City of Sacramento, there is another aspect to The North Natomas Community Plan. In some aspects, North Natomas may represent the City's last frontier for attracting a large number of higher-income professional and executive households, and the cultural, intellectual, and leadership potential which accompanies this population. North Natomas has served as a market test of the City's ability to attract high quality single-family residential development to a location near the downtown employment and retail center, in competition with low density development in distant suburban locations.

The Natomas area employment-generating areas will also test the ability of the City of Sacramento to participate in the expansion of the region's private-sector corporate and financial services development, which have otherwise been viewed as primarily concentrating in southern Placer County and along the Highway 50 corridor in Sacramento County. Many development experts think of North Natomas as the jewel of the Sacramento Region, likely to play a key role in the attraction of financial and corporate headquarters activities to the region.

Despite the great initial successes of the North Natomas residential development, there are problems which are likely to result in the project not meeting its key goals.

1. The plan focused on internal community design issues and its relationship with downtown Sacramento, but failed to fully consider its relationship to the rest of the region. In fact, the Natomas residential development has emerged as a regional housing asset for many middle-to-higher income households whose employment is not primarily located downtown or in the North Natomas Community Plan employment-creating area, defeating the jobs-housing balance goals of the plan.
2. North Natomas housing is likely to become absorbed due to region-wide demand well before the employment-generating areas are developed, which will in turn decrease the attractiveness to potential North Natomas employers and the jobs-housing match benefits to the region.

It is appropriate to revisit the implementation process of the North Natomas Community Plan in the context of its unique role in the region and in the City of Sacramento. This requires a fresh look at the number, type, and timing of its housing component. This is necessary to assure that the area meets the City of Sacramento's higher regional goals of retaining its position as the regional center, and supports its objectives to attract key employers to the Natomas employment areas.

Summary of the Data Analysis

Absorption.

The overview of Natomas area single family residential absorption is shown in the table below. The actual absorption by the end of 2002, estimated by Sedway, was 9,790 units, or about three times that which had been projected a few years earlier by the City Finance Department and The Meyers Group. The factors affecting this extraordinary absorption included a high rate of overall home construction in the region, but also the effect of a unique project and location, and the acceptance of its superior community design by the home-buying public.

The project reached 53% of planned units within about 3 years of market exposure. Note that these estimates are based on permits, not construction or sales.

Natomas Single Family Units Projected and Actual Absorption				
Period of Data or Projection	Source	Accumulated Absorption	Percentage of Planned Total	
2002	City Finance Department (1)	3,131	17%	
2002	Meyers (2)	3,401	18%	
2002	Sedway Estimate of Actual Absorption (3)	9,790	53%	
2003	Sedway Projection (3)	10,443	57%	
2003	Actual Absorption, Gregory (4)	9,343	51%	
2004	Sedway Projection (3)	11,515	62%	
2004	Actual Absorption, Gregory (4)	11,656	63%	

Sources:

- (1) City of Sacramento Planning and Building Department, North Natomas Financing Plan, August 17, 1999
- (2) The Meyers Group, North Natomas Absorption Study, reported in Sedway.
- (3) The Sedway Group, North Natomas Community Plan Area Absorption Study 2003 through 2007, July 2003.
- (4) The Gregory Group, North Natomas Sales and Inventory by Project, May 2005. Sales plus net changes in inventory of entitled lots are used to approximate the absorption based on permits definition used by Sedway.

Dr. Robert Fountain, May 2005

Sedway projections for 2003 would have raised absorption to 57%, but this was not achieved, despite a record year for sales in the region. The reason absorption fell despite record sales is that the inventory of permitted (but not yet constructed or sold) units fell sharply, from almost 300 at the end of 2002 to a total of 79 at the end of 2004. Thus

2003 and 2004 were years of building out the supply of entitled land, not matched by permitting of new lots, which is the definition of absorption in this table.

In summary, the North Natomas housing has reached 63% of its planned total by the end of its 5th year, and appears poised to reach full absorption in an astohishingly rapid time for such a large and innovative project. This indicates that some of the assumptions and limitations of the project's design should be reconsidered in light of the unexpected regional acceptance of the project and its potential long-term benefits to the City of Sacramento.

Economic Impacts of Construction

The construction of new single family homes in the Natomas area has produced over 11,600 sold units valued at about \$3.6 billion over the 5 year period since January 2000. The total level of business activity within the City created by the home construction, plus the revenues to companies and local government which supply and service the construction, plus the expenditures of both the construction workers and the employees of the supplier firms, adds up to a total business activity of about \$6 billion over this period. Single-year levels of economic activity generated by the construction have ranged from about \$730 million in 2000 to \$956 million in 2004. That revenue has supported a total of over 55,000 annual equivalent full time jobs earning a total of \$1.8 billion over the period. In addition, about \$285 million in State & Local taxes have been generated through the construction, not including project-specific permits and fees.

Demographic Analysis

The Natomas area is emerging as a market area different from the City of Sacramento as a whole (but more like Sacramento County). Comparing Natomas area residents to those of the City of Sacramento, Natomas residents have a higher average household income, a higher percentage of families with children, and a higher percentage with bachelor's degrees (but lower levels of advanced degrees).

Estimated household income based on home price data shows new Natomas area homeowners with mean household income rising from around \$58,000 in 2000 to about \$76,000 in 2004. In addition, North Natomas includes an increasing number of households with income in the \$75,000 to \$100,000 category (with about 35% more of its population in this income range than in the overall City of Sacramento).

Natomas area homes have a higher average price than the region (\$376,000 vs. \$353,000 in early 2004) and are very concentrated into a narrow range of prices. The two price ranges \$300,000-\$350,000 and \$350,000-\$400,000 contain 67% of Natomas homes, but only 50% of the region's homes.

The Natomas area is not serving solely as a housing resource for the downtown Sacramento area, but is playing a more extensive role as a regional housing resource for

younger families which may ultimately rise into the executive and professional ranks in the future.

The Economic Impacts of North Natomas Resident Incomes

The economic impact created by the incomes of Natomas area residents provides a benefit to the City beyond the one-time economic benefits of new construction, and is a benefit flow that extends to perpetuity. It stands to reason that the introduction of over 11,600 new home-owner households with the incomes to buy new homes whose prices now (early 2005) average nearly \$401,000 will create an enormous economic impact for the City of Sacramento.

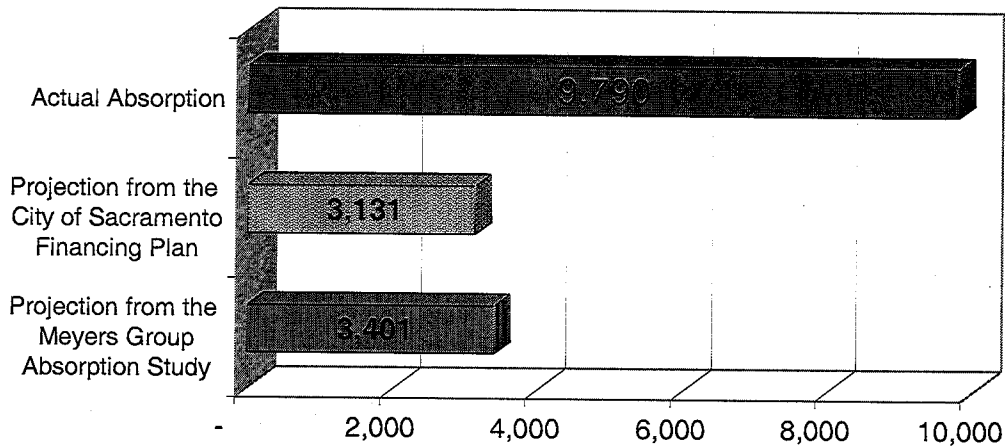
The economic analysis of the resident incomes shows that the household incomes of new Natomas area households reached an annual amount of \$768 million in 2004, which generates about \$1.015 billion per year in total business activity in the City. That in turn supports about 7,957 full-time equivalent jobs and about \$54.4 million per year in State & Local taxes.

Over the history of Natomas area absorption, the accumulative total of income of Natomas households totals nearly \$2.1 billion, and has generated over \$2.75 billion in total business activity, \$599.7 million in employee compensation, and over 21,500 job-years.

Natomas Area Absorption History and Outlook

A key element in the analysis of Natomas area development and build-out horizon is the history of absorption over the years since project inception, and that relationship to current market trends. There is a problem in this data, in that different definitions of absorption are often used. To the land planner, absorption may be defined as approval of a subdivision map or other preliminary entitlement process. To a land developer, absorption may be the issuance of final entitlements. Economists view absorption as the final sale and occupancy of a completed structure.

SEDWAY Report North Natomas Projected vs Actual Units Single Family Absorption for 1999 - 2002



Source: North Natomas Community Plan Area Absorption Study, SEDWAY GROUP.
Dr. Robert Fountain, April 2004

The most extensive data based on the entitlement definition was completed by the Sedway Group. The results, shown in the graph above, indicate that 9,790 single family residential lots had been absorbed by the end of 2002. This compares with the projected absorption of 3,131 for that period by the City of Sacramento Financing Plan and the projection of 3,401 in the Myers Group Absorption Study.

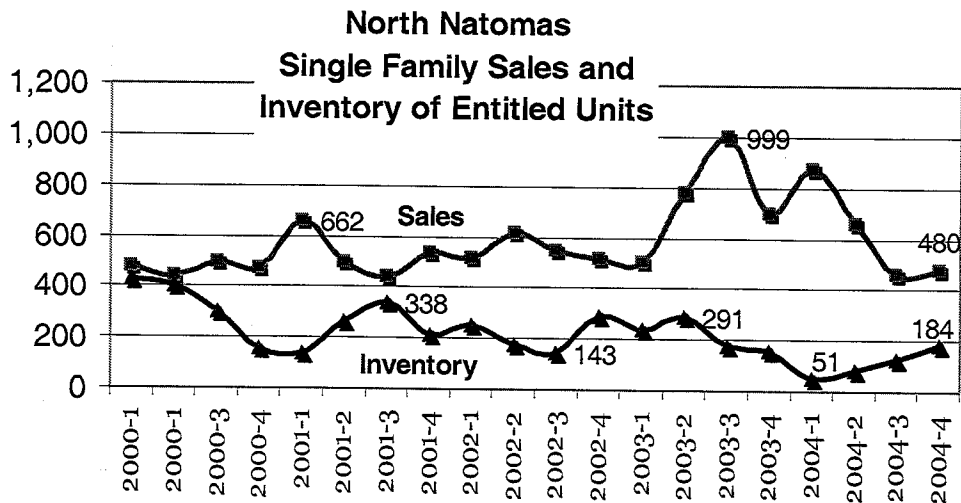
The conclusion is that single family housing absorption in the Natomas area occurred at a rate of about three times that which had been expected through 2002.

Recent data from the Gregory Group, based on new home sales, not permits, shows that a total of 11,657 units have been sold from January 2000 through 2004. This data does not include any sales activity during 1999, but includes units permitted during 1999 and sold in 2000. The data also does not include permits which have been issued recently for units not yet sold.

Cumulative New Single Family Home Sales and Resident Incomes						
Year	2000	2001	2002	2003	2004	Cumulative Since January 2000
Total Value	\$ 434,423,999	\$ 564,876,756	\$ 685,256,784	\$ 952,864,119	\$ 955,714,032	\$ 3,593,135,690
Number of Units	1,883	2,134	2,193	2,978	2,468	11,656
Increase in Annual Resident Incomes	\$109,809,975	\$128,460,721	\$149,119,708	\$192,313,026	\$188,110,735	\$ 767,814,165

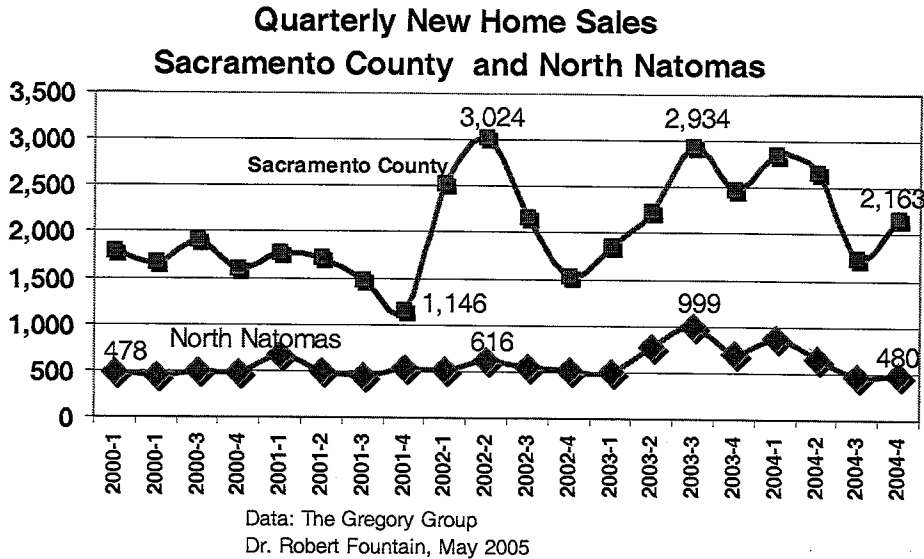
Source: The Gregory Group; US Census Bureau; Claritas Data Services.
Household income based on qualifying income for home sales price using standard secondary market discount assumptions.
Dr. Robert Fountain, May 2005

The graph below shows the quarterly rate of sales and the remaining inventory of entitled units in active projects (those with units for sale). In 2000, the number of entitled lots was about equal to the number of units sold, indicating that the approval and land development process was keeping up with sales. Since that time, the number of sales has exceeded the number of available lots during all quarters, indicating that the units were being built and sold as fast as they were being approved.

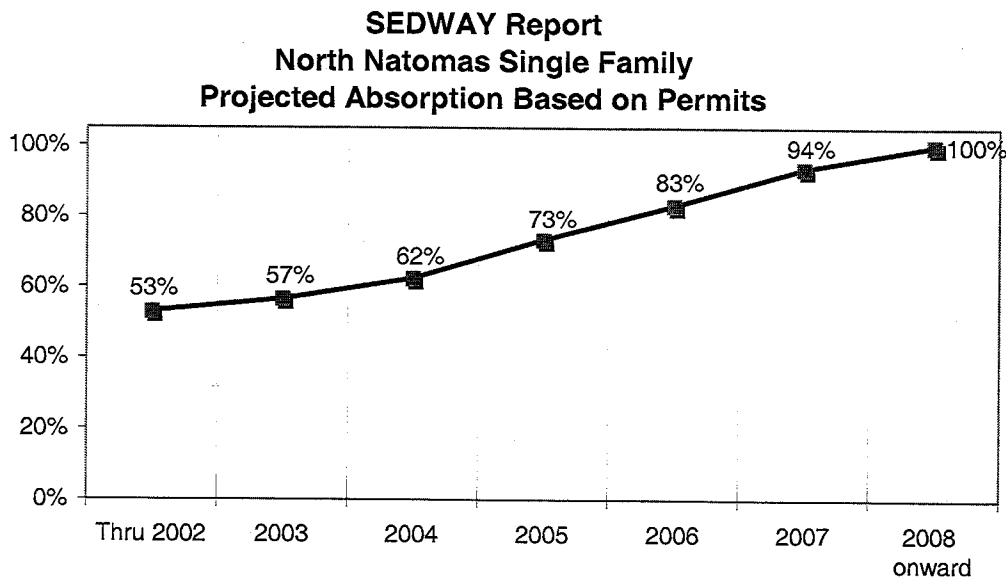


Data: The Gregory Group

The high rate of demand for Natomas area housing units is not just a reflection of region-wide trends. The graph below shows that North Natomas quarterly sales has been stable throughout a series of market-wide ups and downs, reflecting a stable demand based on location, quality, and pricing structure. Such a market niche usually has the characteristics for sustained long-term market position, and in Natomas that market characteristic is likely to result in exhaustion of the entitled and planned land supply in a relatively short time.



A projected absorption schedule for single family housing in the Natomas area was developed by the Sedway Group, based on historical (through 2002) permit data. That schedule is shown in the graph below. The Sedway projection shows 53% absorption through 2002 (actual data) with projections for absorption through 2008 and beyond.



Source: North Natomas Community Plan Area Absorption Study, SEDWAY, July 3, 2002, Exhibit 8. Absorption based on single family permits.
Dr. Robert Fountain, April 2004.

The Gregory Group new home sales data showed an absorption of 2,841 units during 2003, which indicates that project absorption actually reached 51.1% absorption during 2003. (Absorption is defined here as new home sales plus unsold inventory, to approximate the Sedway permit definition.) The reason absorption fell below the 57% Sedway projection despite record sales is that the inventory of permitted (but not yet constructed or sold) units fell sharply, from almost 300 at the end of 2002 to a total of 51 at the end of the first quarter of 2004. Thus 2003 was a year of building out the supply of entitled land, not matched by permitting of new lots, which is the definition of absorption in this analysis.

A similar pattern occurred in 2004. Sales of new units was 2,468, down 17% from the 2003 total of 2,978, but the value of the units sold increased by about 3%. Despite this decreasing volume and rising price trend, the available inventory of approved but not yet sold lots was below 100 for most of the year, only reaching a peak of 184 units briefly during the fourth quarter.

The conclusion from this analysis is that the Natomas project, now 63% absorbed in its 5th year, is still selling as fast as approvals (permits) are received, and is being limited in its absorption by the rate of new approvals.

The Economic Impacts of Natomas area Single Family Home Construction

The economic impact analysis of new home construction in the Natomas area is performed using the IMPLAN input-output model, which identifies all of the expenditures created in an area resulting from a major economic event. In this case, the economic event is the expenditures resulting from the construction and sale of new single family homes, and is based on the actual sales prices reported by the Gregory Group. Since the sales price of the home includes land costs, permits, and many others, the model encompasses all of these expenditures. The economic boundary of the analysis is the City of Sacramento; additional impacts accrue elsewhere in Sacramento County and the rest of the region, as well as some impacts which accrue through imports and exports from the region.

Economic Impacts of New Home Construction in Natomas During the Year 2004				
New Home Construction				
	Direct Impact	Indirect Impact	Induced Impact	Total Impact
Output	\$ 955,714,032	\$ 384,583,243	\$ 265,265,673	\$ 1,605,562,949
Employee Compensation	\$ 249,104,698	\$ 142,436,368	\$ 82,442,855	\$ 473,983,920
Employment	7,214	4,574	2,962	14,750
State & Local Taxes	\$ -	\$ -	\$ -	\$ 75,756,400

Source: IMPLAN model using North Natomas single family home sales data and income data from previous table.
Dr. Robert Fountain, May 2005

The table shows details of the impacts for 2004, and is intended to illustrate how the measurement of economic impacts works. The table is based on the \$955.7 million in new single family construction in North Natomas during this time period; additional analysis for other time periods is discussed later in this section of the report.

Types of Economic Impacts

The economic benefits from the construction expenditures occur in three general categories:

- Direct Impacts measure the level of economic activity created directly by the construction activities. This includes employee salaries, purchases of materials and equipment, utilities, financial and accounting operations, and all other expenditures. The Direct Impact of the 12 months of construction is the value of the new homes, \$955.7 million.
- Indirect Impacts (or supplier impacts) define the creation of economic activity from businesses which supply goods and services to the project. This includes subcontractors, purchases of materials and services, local government utilities and planning services, and all other inputs into the construction process. These supplier firms hire additional employees, purchase additional utilities and materials, and pay more taxes, and their expanded activity is dependent on the income generated

by the direct construction expenditures. The Indirect impact is \$384.6 million, and the largest impacts on indirect sectors are to Wholesale trade, Architectural and engineering services, Food and beverage stores, Building material and garden supply stores, and Truck transportation.

- Induced Impacts (or consumption impacts) measure the retail, housing, medical, and other consumer activities created by household expenditures of the employees of the construction firms and the increase in employees of the indirect (supplier) firms. Induced impacts total \$265.3 million. The largest impacts on the consumer sectors are expenditures on housing, Wholesale trade, Hospitals and medical services, real estate, and banking.

The amount of economic activity can be measured in a number of ways, each of which shows a different perspective on how the impacts affect the economy.

Total Industry Output measures the total sales, total expenditures, or other aggregate measure of activities which firms or industries use to indicate their total level of business activity. This 12 months of housing creates \$1.6 billion including the direct, indirect, and induced activities.

Employee Compensation is the total benefits to employees, and includes not only salary and wages but also benefits, taxes paid by employers, and other indirect compensation. Profits to owners and returns to investors are not included in this measure. This year of housing construction creates \$473.9 million in employee compensation.

Employment is the only measure not in dollar terms, and shows the number of full-time equivalent jobs created by the project, and by its indirect and induced impacts. This year of housing construction supports 14,750 full-time annual equivalent jobs.

State & Local Tax Revenues measures the generation of taxes based on model analysis over all industries, and should not be viewed as an actual accounting analysis of the revenues from this project. The actual tax revenues to local government cannot be accurately predicted in the current environment of rapid change in the local tax structure. This year of housing construction creates \$75.6 million in state and local tax revenues.

The table below shows the annual and cumulative economic impacts of new single family home construction in North Natomas since January 2000. The direct, indirect, and induced impacts are not displayed separately in this table in the interest of brevity. The data is based on the actual sales price of new homes reported by the Gregory Group, rather than the value of permits widely used.

In year 2000, the new single family homes constructed in the Natomas area sold for about \$434.4 million. This supported a total of \$729.8 million in total business activity in the City of Sacramento, including \$215.5 million in employee compensation for 6,705 annual equivalent jobs. State & Local tax revenues of \$34.4 million were generated.

By 2004, the construction activity had risen to \$955.7 million, generating \$1.6 billion in total business activity, 14,700 jobs, and \$76 million in tax revenues.

The right column of the table shows the cumulative totals from January 2000 through 2004 from Natomas area single family development, without inflation or discounting. The 5-year total in new construction valued at about \$3.6 billion has generated over \$6.03 billion in economic activity in the City of Sacramento, supported 55,454 annual equivalent jobs, and generated \$284.8 million in State & Local taxes.

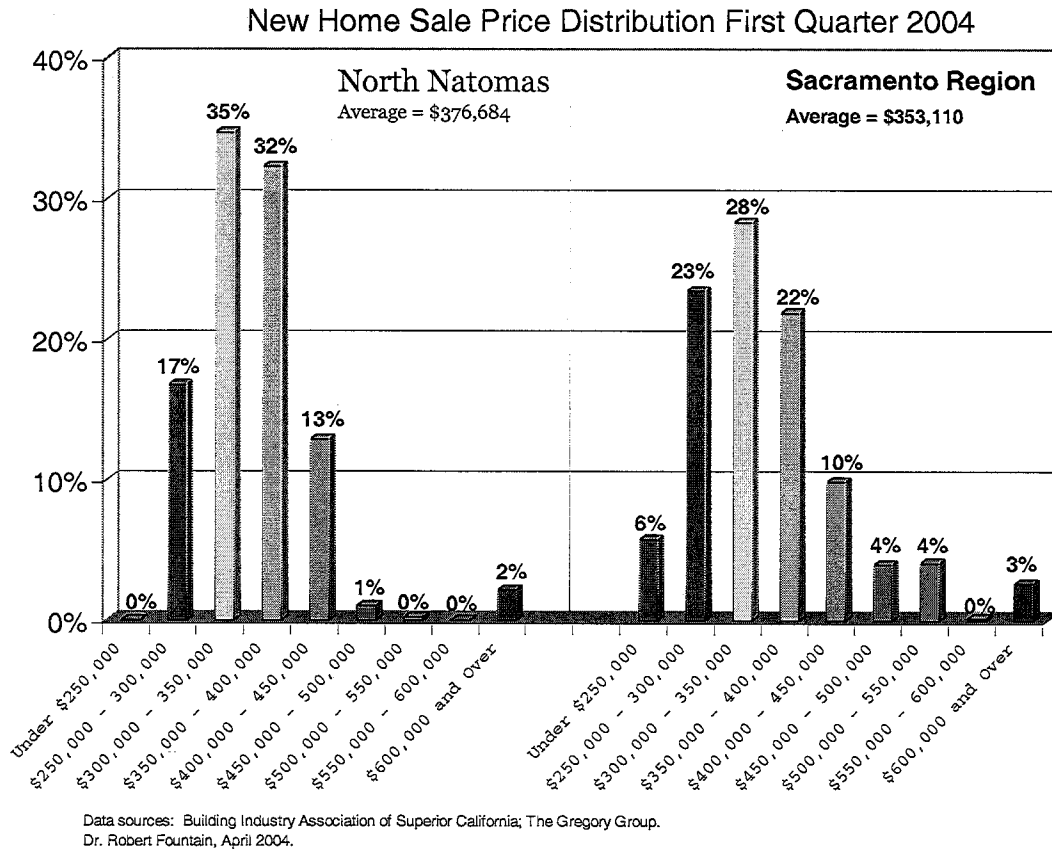
Annual and Cumulative Impacts of New Home Construction in North Natomas						
Year	2000	2001	2002	2003	2004	Total Since January 2000
Value of New Homes Sold	\$ 434,423,999	\$ 564,876,756	\$ 685,256,784	\$ 952,864,119	\$ 955,714,032	\$ 3,593,135,690
Output	\$ 729,815,670	\$ 948,971,303	\$ 1,151,205,137	\$ 1,600,775,204	\$ 1,605,562,949	\$ 6,036,330,262
Employee Compensation	\$ 215,451,467	\$ 280,149,176	\$ 339,851,342	\$ 472,570,513	\$ 473,983,920	\$ 1,782,006,418
Employment	6,705	8,718	10,576	14,706	14,750	55,454
State & Local Taxes	\$ 34,435,404	\$ 44,775,977	\$ 54,318,118	\$ 75,530,497	\$ 75,756,400	\$ 284,816,396

Sources: Previous tables.
Dr. Robert Fountain, May 2005.

Demographic Analysis of Natomas Area Households

Households which purchase new Natomas area single family homes are different from the existing population of the City of Sacramento and Sacramento County, as is always the trend in newly-developing areas. Part of the difference results from the unique locational attributes of Natomas (near the center of the region and the large downtown Sacramento employment center; other differences result from the project design and the mix of housing types and prices.

The graph below shows the price distribution of Natomas area homes relative to data for the entire Sacramento region. North Natomas homes have a higher average price than the region (\$376,000 vs. \$353,000) and are very concentrated into a narrow range of prices. The two price ranges \$300,000-\$350,000 and \$350,000-\$400,000 contain 67% of North Natomas homes, but only 50% of the region's homes. North Natomas has far fewer homes in the price ranges below \$300,000 (only 17%, vs. 29% for the region) and contains fewer units in price ranges above \$450,000 (about 3%, vs. 11% for the region).



Estimated household income based on home price data shows new Natomas area homeowners with mean household income rising from around \$58,000 in 2000 to about \$69,300 in 2004. In addition, the Natomas area includes an increasing number of

households with income in the \$75,000 to \$100,000 category (with about 35% more of its population in this income range than the overall City of Sacramento). Comparable average household income for the City of Sacramento was \$48,300 in 2000, and is estimated to have increased to \$53,129 by 2003.

A review of data on occupations, family structure, and other variables indicates that the Natomas area is emerging as a market area different from the City of Sacramento (but more like Sacramento County). The Natomas area has a higher average household income, a higher percentage of families with children, but lower levels of college degree holders than the City.

In terms of commute to work, Natomas has a higher percent who commute less than 15 minutes (30%, higher than the average for the City and the County) but also has a higher percent who work more than 30 minutes from their homes (higher than the City average but lower than the County average). This indicates a dichotomized population: those who work downtown or in nearby South Natomas, and those who work elsewhere in the region; about 20% of Natomas residents fall into this latter category.

The occupational status of Natomas area residents shows a population with a lower percentage in top Management and Executive categories than the City, but also a lower percentage in the lowest skilled levels. Likewise, the Natomas population has lower percentages with graduate and professional degrees than the City, but higher percentage with bachelors' degrees.

The Natomas area is not serving solely as a housing resource for the downtown Sacramento area, but is playing a more extensive role as a regional housing resource for younger families likely to rise into the professional and executive ranks in the future.

The Economic Impacts of Natomas Area Resident Incomes

A major factor in the impact of the Natomas area on the City of Sacramento is the economic activity generated by the expenditures of the households of the new Natomas housing units. The economic value of this activity is initially less than that of new housing construction but since the household expenditures occur in perpetuity, the economic effects in the long run will far exceed that of the one-time construction activity.

Year	2000	2001	2002	2003	2004	Total Since January 2000
Cumulative number of new North Natomas households	1,883	4,017	6,210	9,188	11,656	11,656
Average Household Income for New Residents This Year	\$ 58,317	\$ 60,197	\$ 67,998	\$ 64,578	\$ 76,220	
Cumulative Annual Household Incomes	\$ 109,809,975	\$238,270,696	\$387,390,404	\$579,703,430	\$767,814,165	\$ 2,082,988,669
Annual Total Output Generated	\$ 145,164,833	\$314,985,281	\$ 512,116,165	\$ 786,347,061	\$ 1,015,022,679	\$ 2,753,636,018
Employee Compensation	\$ 31,615,204	\$68,600,113	\$ 111,532,915	\$ 166,901,433	\$ 221,060,076	\$ 599,709,741
Annual Employment Generated	1,138	2,469	4,015	6,008	7,957	21,587
Annual State & Local Tax Generation	\$ 7,786,652	\$16,895,833	\$ 27,469,948	\$ 41,106,911	\$ 54,445,889	\$ 147,705,232

Sources: Income estimated from new home sales price, current mortgage rates, and prevailing loan ratios on national secondary markets. Other data from previous tables.
Dr. Robert Fountain, May 2005.

The table above shows the cumulative economic impacts of the expenditures by Natomas area residents on the City of Sacramento. In 2000, 1,883 new households in North Natomas had average annual household income estimated at \$58,317 based on established relationships between home purchase prices and income. This income totals \$109.8 million for 2000. The additional spending and employment effects generated by the expenditures of this group raises the total output generated to about \$145 million, employee compensation to \$31.6 million, and supports 1,138 jobs in the City of Sacramento. About \$7.8 million in State & Local taxes are generated.

In 2001, the following year, an additional increment of income is generated by the occupancy of additional houses, while another year of income is generated by the households who located there in 2000. The cumulative 2001 household income from Natomas area development equals the income from the cumulative number of households, totaling \$238.3 million in 2001. The table continues to show for each year the household income from all residents of Natomas homes sold through the year 2004.

Thus the cumulative effect of household expenditures by buyers of new homes in North Natomas reaches about \$767.8 million per year in 2004, generating about \$1.02 billion this year in total expenditures in the City of Sacramento, supporting 7,957 annual full time equivalent jobs, and generating about \$54.4 million per year in State & Local tax revenues.

The right column of the table shows the cumulative totals generated since 2000, which are not discounted for inflation or present value discounting. The overall conclusion is that the residents of new Natomas area homes have spent about \$2.08 billion since 2000, have supported 21,587 job-years of employment, and have paid \$147.7 million in State & Local Taxes.

Researcher Qualifications J. ROBERT FOUNTAIN

EDUCATION

Ph.D., Graduate School of Management, University of California, Los Angeles (UCLA), June 1977.

Major Fields: Housing, Real Estate, and Urban Land Economics.

Minor Fields: Finance, Urban Planning, and Research Methodology.

EXPERIENCE

Present (Since January 2005) Director, Applied Research Institute, California State University, Sacramento.

Present (Since March 2001) Chief Economist, Sacramento Regional Research Institute, a joint venture of California State University, Sacramento and the Sacramento Area Commerce & Trade Organization. This research center provides economic development research, business forecasting, and locational analysis data and information about the Sacramento region.

Present (since 1980). Consultant in real estate and land development. Clients include housing, industrial, and office development companies, mortgage lenders, real estate associations, and expert witness testimony.

1976 - 1994. Professor of Real Estate and Urban Planning, School of Business Administration, California State University, Sacramento. (Currently Professor Emeritus.) Teaching areas included: real estate market and locational analysis; housing economics; regional economic development; mortgage markets; real estate finance; investment analysis; real estate appraisal; and urban planning.

Summary of Research and Public Information Activities:

Regional economic analysis including economic forecasts and projections, labor force and manpower studies, housing market studies, analysis of specific industry sectors, and economic impact analysis.

Housing, land use, and location studies for corporate decision makers.

Data analysis and publications for the Sacramento Area Commerce and Trade Organization; the Sacramento Metropolitan Chamber of Commerce; Placer County Department of Economic Development; and a number of city and county agencies.

Expert testimony on economic conditions, housing market trends, locational factors, real estate trends, and other economic, land use, and business factors.

Effective water resource management

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SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

September 15, 2005

Peter Brundage
Sacramento Local Agency Formation Commission
1112 I Street, Suite 100
Sacramento, CA 95814

Subject: SMUD Annexation of Yolo County Areas
Notice of Preparation of Program EIR

Dear Mr. Brundage:

Thank you for the opportunity to comment on the NOP for the proposed SMUD annexation of portions of Yolo County.

The Yolo County Flood Control and Water Conservation District has reviewed your transmittals dated August 22, 2005 and September 1, 2005 and it finds that the proposed project will not affect the District.

Sincerely,

Michael Horgan
District Engineer

34274 State Highway 16
Woodland, CA 95695-9371
(530) 662-0265
FAX (530) 662-4982
www.ycfcwcd.org

c: Tim O'Halloran, General Manager

Tim O'Halloran
General Manager



"Peter Brundage"
<Peter.Brundage@SacLAFCo.org>

10/04/2005 08:25 AM

Please respond to
<Peter.Brundage@SacLAFCo.org>

To <Brian_R_Smith@urscorp.com>, <MDeis@smud.org>, <Anja_Kelsey@urscorp.com>
cc
bcc
Subject FW: NOP of EIR for Amendment of SOI for SMUD and annexation, etc.

-----Original Message-----

From: Karen Diepenbrock [mailto:kdiepenbrock@diepenbrock.com]
Sent: Monday, October 03, 2005 4:50 PM
To: Peter.Brundage@SacLAFCo.org
Subject: NOP of EIR for Amendment of SOI for SMUD and annexation, etc.

Dear Mr. Brundage,

RE: Notice of Preparation of a Program Environmental Impact Report for the Amendment of the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) and Annexation by SMUD of the Cities of West Sacramento, Davis and Woodland, and portions of Unincorporated Areas of Yolo County project.

In response to the above referenced request to comment on the Notice of Preparation, please find the following documents:

1. Letter to Peter Brundage from Laverne C. Scheidel
2. Letter to Peter Brundage from Edwin & Marjorie Willey
3. Letter to Peter Brundage from Jack W. DeWit

Please call with any question or comment.

Very truly yours,

Karen L. Diepenbrock
Diepenbrock Harrison
400 Capitol Mall, Ste 1800
Sacramento, CA 95814
(916) 446-4469
(916) 446-4535 Fax
e-mail: KLD@Diepenbrock.com

PRIVILEGE AND CONFIDENTIALITY NOTICE

The information in this electronic mail is intended for the name recipients only. It may contain privileged and confidential matter. If you have received this electronic mail in error, please notify the sender immediately by replying to this e-mail or by collect call to (916) 446-4469. Do not

Edwin A. & Marjorie E. Willey
4455 Garden Highway
Sacramento, CA 95837
Tel.: (916) 925-0208 – Fax: (916) 925-0208

September 30, 2005

Mr. Peter Brundage
Executive Officer
Sacramento Local Agency Formation Commission
1121 L Street, Suite 100
Sacramento, CA 95814

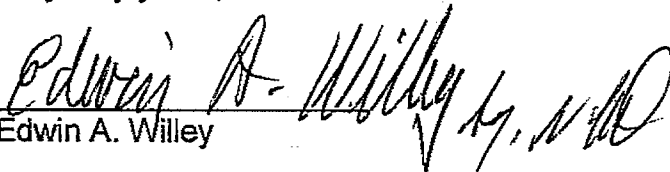
RE: Notice of Preparation of a Program Environmental Impact Report for the Amendment of the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) and Annexation by SMUD of the Cities of West Sacramento, Davis and Woodland, and portions of Unincorporated Areas of Yolo County project.

Dear Mr. Brundage:

We are the owners of 160 acres bordering Elverta Road and wish to express our very strong opposition to SMUD locating power lines along the north side of Elverta Road where they will severely impact the development of our property. We believe that the SMUD overhead power lines will inhibit access onto our land, will reduce the value of the retained land, as well as interfere with the development of the Joint Vision Area to the maximum potential anticipated by the City of Sacramento and the County of Sacramento.

Please select another route.

Very truly yours,


Edwin A. Willey

Marjorie E. Willey

Mr. Laverne C. Scheidel
328 West Elverta Road
Elverta, CA 95626
Telephone: (916) 991-1944

September 30, 2005

Mr. Peter Brundage
Executive Officer
Sacramento Local Agency Formation Commission
1121 L Street, Suite 100
Sacramento, CA 95814

RE: Notice of Preparation of a Program Environmental Impact Report for the Amendment of the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) and Annexation by SMUD of the Cities of West Sacramento, Davis and Woodland, and portions of Unincorporated Areas of Yolo County project.

Dear Mr. Brundage:

We are the owners of 105 acres bordering Elverta Road and wish to express our very strong opposition to SMUD locating power lines along the north side of Elverta Road where they will severely impact the development of our property. We believe that the SMUD overhead power lines will inhibit access onto our land, will reduce the value of the retained land, as well as interfere with the development of the Joint Vision Area to the maximum potential anticipated by the City of Sacramento and the County of Sacramento.

Please select another route.

Very truly yours,


Laverne C. Scheidel

**Jack. W. DeWit & Mary Beth DeWit
DeWit Farms, LLC**

44718 So. El Macero Drive
El Macero, CA 95618
Tel: (530) 758-9615 - Fax (530) 758-2632
e-mail: dewitfrm@davis.com

October 3, 2005

Mr. Peter Brundage
Executive Officer
Sacramento Local Agency Formation Commission
1121 L Street, Suite 100
Sacramento, CA 95814

RE: Notice of Preparation of a Program Environmental Impact Report for the Amendment of the Sphere of Influence for the Sacramento Municipal Utility District (SMUD) and Annexation by SMUD of the Cities of West Sacramento, Davis and Woodland, and portions of Unincorporated Areas of Yolo County project.

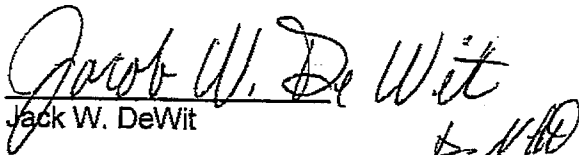
Dear Mr. Brundage:

We are owners of approximately 544 acres north and south of Elverta Road within the Joint Vision area and wish to express our very strong opposition to SMUD locating overhead power lines along the north side of Elverta Road where they will impact the development of the Joint Vision area. While we appreciate that LAFCO is proceeding at this point with a programmatic EIR only, we understand that SMUD has selected Elverta Road as its preferred location and will be considering locating power lines at this location in the near future.

We believe that an Elverta Road location will impact development of the Joint Vision area to the detriment of all landowners within the Joint Vision. We are concerned about the visual impacts of the overhead power lines, the reduction in developable land and the likely interference with the new interchange that will need to be placed at Elverta Road and Highway 99.

Very truly yours,

DeWit Farms, LLC


Jack W. DeWit



DEPARTMENT OF FISH AND GAME

<http://www.dfg.ca.gov>

Sacramento Valley - Central Sierra Region

1701 Nimbus Road, Suite A

Rancho Cordova, CA 95670

(916) 358-2900



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SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

October 3, 2005

Mr. Peter Brundage
Sacramento Local Agency
Formation Commission
1112 J Street, Suite 100
Sacramento, CA 95814

Dear Mr. Brundage:

The Department of Fish and Game (DFG) has reviewed the Notice of Preparation of a draft Program Environmental Impact Report (Program EIR) for the Amendment of the Sphere of Influence for the Sacramento Municipal Utilities District (SMUD) and Annexation of the Cities of West Sacramento, Davis, and Woodland, and portions of the Unincorporated Area of Yolo County (project). The project consists of a plan to expand the sphere of influence of SMUD to include the area noted above and to use existing PG&E facilities as well as, construct new electrical facilities in the annexed area. The project is located in the cities of Sacramento, West Sacramento, Davis, and Woodland as well as the intervening unincorporated area Yolo County.

Wildlife habitat resources consist of a mixture of urban, rural, agricultural, and natural habitats. Significant natural resources of the project include habitat for sensitive species. The American River and other important wetland habitats occur within the project area.

The Program EIR should discuss and provide mitigation for the following:

1. The project's impact upon fish and wildlife and their habitat. The Program EIR should identify habitat loss related to facilities construction, re-conductoring, etc. as well as any disturbance impacts to fish and wildlife. Additionally, the program EIR should discuss impacts, such as vegetation management, bird strikes on transmission lines, etc, which are related to the ongoing operation and maintenance of the project
2. The project's impact upon significant habitat such as wetlands including vernal pools and riparian areas. The project should be designed so that impacts to wetlands are avoided. Mitigation should be provided for unavoidable impacts based upon the concept of no net loss of wetland habitat values or acreage.

Mr. Peter Brundage
October 3, 2005
Page Two

3. The project's impact to special status species including species which are state and federal listed as threatened and endangered . Records contained in the California Natural Diversity Database indicate the presence of a number of sensitive plants and animals in the project area. The program EIR should identify and discuss the potential for impacts to sensitive species. If potential impacts are identified, the program EIR should provide either a means of avoiding the impacts or provide mitigation that off-sets them.
4. The project's growth-inducing and cumulative impacts upon fish, wildlife, water quality and vegetative resources.
5. The DEIR should provide an analysis of specific alternatives which reduce impacts to fish, wildlife, water quality and vegetative resources.
6. The DEIR should contain an evaluation of the proposed project's consistency with the applicable land use plans, such as General Plans, Specific Plans, Watershed Master Plans, Habitat Conservation Plans, etc for the area. .

The DEIR should consider and analyze whether implementation of the proposed project will result in reasonably foreseeable potentially significant impacts subject to regulation by the DFG under section 1600 et seq. of the Fish and Game Code. In general, such impacts result whenever a proposed project involves work undertaken in or near a river, stream, or lake that flows at least intermittently through a bed or channel, including ephemeral streams and water courses. Impacts triggering regulation by the DFG under these provisions of the Fish and Game Code typically result from activities that:

- Divert, obstruct, or change the natural flow or the bed, channel or bank of any river, stream, or lake;
- Use material from a streambed; or
- Result in the disposal or deposition of debris, waste, or other material where it may pass into any river stream, or lake.

In the event implementation of the proposed project involves such activities, and those activities will result in reasonably foreseeable substantial adverse effects on fish or wildlife, a Lake or Streambed Alteration Agreement (LSAA) will be required by the DFG. Because issuance of a LSAA is subject to review under the California Environmental Quality Act (CEQA), the DEIR should analyze whether the potentially feasible mitigation measures set forth below will avoid or substantially reduce impacts requiring a LSAA from the DFG.

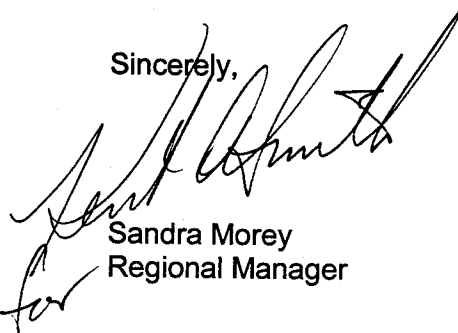
Mr. Peter Brundage
October 3, 2005
Page Three

This project will have an impact to fish and/or wildlife habitat. Assessment of fees under Public Resources Code Section 21089 and as defined by Fish and Game Code Section 711.4 is necessary. Fees are payable by the project applicant upon filing of the Notice of Determination by the lead agency.

Pursuant to Public Resources Code Sections 21092 and 21092.2, the DFG requests written notification of proposed actions and pending decisions regarding this project. Written notifications should be directed to this office.

Thank you for the opportunity to review this project. If the DFG can be of further assistance, please contact Mr. Dan Gifford, Senior Wildlife Biologist, telephone (209) 369-8851 or Mr. Kent Smith, Acting Assistant Regional Manager, telephone (916) 358-2382.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra Morey". The signature is written in a cursive style and is positioned above the typed name and title.

Sandra Morey
Regional Manager

cc. Susan Jones
U.S. Fish and Wildlife Service
2800 Cottage Way, Room W2605
Sacramento, CA 92825-1888

Mr. Dan Gifford
Mr. Kent Smith
Department of Fish and Game
1701 Nimbus Road
Rancho Cordova, California

DEPARTMENT OF TRANSPORTATION

DIVISION OF AERONAUTICS - M.S.#40

1120 N STREET

P. O. BOX 942873

SACRAMENTO, CA 94273-0001

PHONE (916) 654-4959

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SACRAMENTO
FOR DIVISION OF AERONAUTICS

October 4, 2005

Mr. Peter Brundage
Sacramento Local Agency Formation Commission
1112 I Street, Suite 100
Sacramento, CA 95814

Dear Mr. Brundage:

Re: Notice of Preparation of a Draft Environmental Impact Report for an Amendment of the Sphere of Influence for the Sacramento Municipal Utility District; SCH# 2005092009

The California Department of Transportation (Caltrans), Division of Aeronautics (Division), reviewed the above-referenced document with respect to airport-related noise and safety impacts and regional aviation land use planning issues pursuant to the California Environmental Quality Act (CEQA). The Division has technical expertise in the areas of airport operations safety, noise and airport land use compatibility. We are a funding agency for airport projects and we have permit authority for public and special use airports and heliports. The following comments are offered for your consideration.

The proposal is for a proposed amendment to the sphere of influence for Sacramento Municipal Utility District (SMUD) and the annexation by SMUD of the Cities of West Sacramento, Davis, Woodland and portions of unincorporated areas of Yolo County.

Sacramento International Airport, Yolo County Airport, and University Airport are located within or in close proximity to the proposed annexation territory and SMUD sphere of influence.

Public Utilities Code, Section 21659, "Hazards Near Airports Prohibited" prohibits structural hazards near airports. Structures should not be at a height that will result in penetration of the approach imaginary surfaces. To ensure compliance with Federal Aviation Regulation, Part 77, "Objects Affecting Navigable Airspace," submission of a Notice of Proposed Construction or Alteration (Form 7460-1) to the Federal Aviation Administration (FAA) may be required. For further technical information, please refer to the FAA's web site at http://www.faa.gov/aso/aso500/obst_eval.htm. Please note the FAA also requires submission of a completed Form 7460-2 Part 1 at least 48 hours prior to starting the actual construction. Form 7460-2 is available at <http://forms.faa.gov/forms/-faa7460-2.pdf>. Any changes in coordinates or heights will require submission of a new Form 7460-1 to the FAA.

In addition to contacting the FAA to obtain an Airspace Determination for Objects Affecting Navigable Airspace, the evaluation of existing or future utility poles, power lines, or similar structures that may penetrate FAR Part 77 imaginary surfaces (i.e. primary, approach, or transitional surfaces) to an airport runway or heliport Touchdown/Lift-off area, should be coordinated with Gary Cathey, Chief, Office of Airports, (916) 654-5183.

Mr. Peter Brundage
October 4, 2005
Page 2

In accordance with CEQA, Public Resources Code 21096, the Handbook must be utilized as a resource in the preparation of environmental documents for projects within the airport land use compatibility plan boundaries or if such a plan has not been adopted, within two nautical miles of an airport. The Handbook is a resource that should be applied to all public use airports and is published on-line at <http://www.dot.ca.gov/-hq/planning/aeronaut/htmlfile/landuse.php>.

The protection of airports from incompatible land use encroachment is vital to California's economic future. Sacramento International Airport, Yolo County Airport and University Airport are economic assets that should be protected through effective airport land use compatibility planning and awareness. Although the need for compatible and safe land uses near airports in California is both a local and a State issue, airport staff, airport land use commissions and airport land use compatibility plans are key to protecting an airport and the people residing and working in the vicinity of an airport. Consideration given to the issue of compatible land uses in the vicinity of an airport should help to relieve future conflicts between airports and their neighbors.

The proposal should be submitted to the Sacramento Area Council of Government (SACOG) as representative of the Airport Land Use Commission (ALUC) for a consistency determination. The proposal should also be coordinated with airport staff to ensure that the proposal will be compatible with future as well as existing airport operations.

These comments reflect the areas of concern to the Division of Aeronautics with respect to airport-related noise and safety impacts and regional airport land use planning issues. We advise you to contact our district office concerning surface transportation issues.

Thank you for the opportunity to review and comment on this proposal. If you have any questions, please call me at (916) 654-5314.

Sincerely,


SANDY HESNARD
Aviation Environmental Planner

c: State Clearinghouse, SACOG, Glen Rickelton-Sacramento International Airport,
David Daly-Yolo County Airport, Cliff Contreras-University Airport