

MEMORANDUM

TO: Marilyn Ann Flemmer
Sacramento LAFCO

FROM: Elisa Carvalho *cc*
LAFCO Analyst

DATE: February 14, 2006

SUBJECT: Sacramento LAFCO Presentation Notes

Attached are detailed notes from the Yolo County LAFCO Agenda Item No. 5 - Presentation By LAFCO Executive Officer Peter Brundage and Receive Comments on the Draft EIR for Annexations of Several Portions of Yolo County to SMUD of the Yolo County LAFCO Commission Meeting - on January 23, 2006. Please contact me at 530-666-8058 if you have any questions.

Present Commissioners:

Olin Woods (Public Member)
Helen Thomson (County Member)
Frank Siefertman Jr. (County Member)

Members of the Public on Record:

Lynnel Pollock
Mariko Yamada (Yolo County Supervisor)
Robert Ramming (Alternate Commissioner)
Warren King

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 Tom McMasters-Stone ★ County Member Duane Chamberlain ★

STAFF

*★ Executive Officer Elizabeth Castro Kemper ★ Commission Clerk Terri Tuck ★
★ Management Analyst Elisa Carvalho ★ Commission Counsel Stephen Nocita ★*

Regular Agenda

Entry No. 5-

PRESENTATION BY LAFCO EXECUTIVE OFFICER PETER BRUNDAGE AND RECEIVE COMMENTS ON THE DRAFT EIR FOR ANNEXATION OF SEVERAL PORTIONS OF YOLO COUNTY TO SMUD

Minute Order 2006-03: After a presentation by the Sacramento LAFCO Executive Officer Peter Brundage on the SMUD Yolo Annexation, SMUD Amendment of the Sphere of Influence, and the Draft Environmental Impact Report, the Chairman opened the Public Hearing. After discussion the Commission moved to have the comments that were offered during the presentation from Sacramento LAFCO be drafted by the Executive Officer for the Chair's signature and submitted prior to the 21st of February as comments from Yolo County LAFCO. Public and Commission suggestions and comments follow:

Public Member Lynnel Pollock addressed the Commission about her concerns over voting procedures and disenfranchisement of affected residents, impact of the proposed transmission line from Elverta to habitat values and agricultural production in the bypass, impact to agricultural rates and services (possible degradation of service because of proximity and lack of resources), difficulty in dealing with two different service providers, loss of franchise tax dollars to the County and local agencies.

Mariko Yamada, District 4 County Supervisor addressed the Commission to reiterate that she and Supervisor McGowan, District 1, represent the Board of Supervisors as the Ad Hoc Committee on the SMUD service expansion. She invited Lynnel Pollock and other members of the public to contact the Supervisors with any County related concerns.

Alternate Commissioner Robert Ramming inquired about figures, specifically the 2.2 million of lost tax revenues compared to the total gross annual revenues.

Peter Brundage said SMUD would charge new Yolo County Customers the same rates and taxes as PG&E. The taxpayers groups indicate they believe the proposal requires a prop 218 vote. A question about fees and taxes will be included in the vote. The argument is whether it's a two-thirds or general majority vote. The vote will be by registered voters who live in the affected territory; property owners that live outside of the territory will not have a vote. In creating the boundaries, there was an attempt to avoid duplication of facilities and services, but if the boundary lines create a hardship, SMUD can look at issues on a case-by-case basis, later on.

In reference to agricultural rates and services, Brundage acknowledged that Infrastructure has to be upgraded to increase reliability and that services can vary from area to area. Brundage said that SMUD's service priorities could be ascertained.

Lynnel Pollock: Where is the EIR available for the general public?

Elizabeth mentioned several places where the EIR study would be available such as the library, online (Yolo County LAFCO, Sac County LAFCO, SMUD websites). LAFCO can also get hard copies in the libraries and in the Yolo County LAFCO office.

Warren King inquired about whether Knights Landing is within the affected area for the SMUD project. Brundage says they attempted to notice Districts and expand the net a little.

Commissioner Siefertman asked Brundage to comment on upgrade fees and who would take over and finish honoring those. Brundage didn't know, but could follow up.

Brundage: If SMUD constructs the Elverta line, it will look at existing General Plans to accommodate that growth and it will address comments provided by the public in the

approval process.

Sieferman inquired about the source of power used in Yolo County once annexation takes place. Brundage doesn't know, but it's diverse and he listed several likely sources. Brundage also noted that adding new customers might increase the price because it creates an added load, but he said overall prices, according to SMUD, would still be lower in Yolo County.

Thomson asked Brundage if Sacramento LAFCO would ratify the economic analysis presented through the studies in its analysis as part of the initial decision-making? Brundage has evaluated materials and information provided by SMUD. Sac LAFCO will hire a consultant to determine accurate methodology and numbers. Brundage will have to develop and rely on a range as a best guess estimate to help weigh the best relative alternative. Commissioner Thomson requested that Brundage find the best, simplest manner to explain this in the Sac LAFCO analysis. Explaining the issue of future power for economic growth so that it is understandable and believable becomes an obligation for both LAFCOs. Another issue for the LAFCO commission is ag land. Commissioner Thomson referred to the box on the map of the program component 7 of the substation because it appears to be in buffer area between Davis and Woodland. Commissioner Thomson is concerned about the placement, the ag acreage that will be used, the wires, and everything that goes to the substation. She also expressed concern over the substation proximity to the bypass and pacific flyway. She also warned that a square on a map takes on a life of its own. Thomson asked Brundage to consider in his report the fact that, since Yolo LAFCO does not permit stacked easements and since the project will probably require a habitat easement, more than a 1:1 Agricultural Mitigation will be required. She further asked Brundage to provide clarification on rates and services. And she wanted to know how Yolo LAFCO could be involved in future monitoring of the best management practices? Peter will work with Elizabeth to establish a condition to link LAFCO's more closely together. Thomson asked if Sac LAFCO is looking at the issue of representation? Brundage might address it in his staff report. He also said the population of Yolo County residents being served by SMUD isn't large enough to have its own SMUD representative, but they may have several representatives in the area. Thomson wants comments about representation in the analysis and would like to make sure Yolo County has a seat on that Board with a significant representation. Thomson suggested that the formal report from LAFCO to SMUD should have a section on governance and why it's important to be represented as citizens.

Woods inquired about the size of current wards? Brundage replied that SMUD service wards have approximately 195,000 residents and the area in question is 150,000. Olin suggested Yolo County have its own ward. At the very least, Yolo County should not be split into two wards. Olin also asked if it is feasible or economical to underground the voltage lines. Peter Brundage doesn't think it's going to be cost effective. Olin asked if the voting process is consistent with the process in other types of annexations? Brundage replied that the type of District determines the type of vote. In this case, the type of District dictates, under law, a registered voter vote.

Olin had previously understood that there was leeway in type of voting. Peter says he had earlier been addressing the issue of voting for residents that lived partially in the District or out. Those people may be able to decide whether to stay completely in the boundaries or out if it's possible through the service delivery perspective. LAFCO has the authority to only allow affected territory in Sacramento and Yolo to have a vote. People outside the affected territory don't vote. However, SMUD's Board of Directors has adopted a resolution to allow both Sacramento and Yolo residents to vote.

Olin expressed his concern over the education of the public because some believe that the PG&E marketing campaign and education materials are deeply biased. He asked how Sac LAFCO would address that? Brundage says Sac LAFCO will issue a staff report and make information available to the public.

Commissioner Thomson asked Elizabeth to continue to provide materials, as they come, on the website and continue to provide that information so public can access impartial and analytical information. Additionally, items should be put on the LAFCO agenda that are useful for public discussion and press invited to make sure information is out. Brundage volunteered to come back and make informational reports in the future as needed.

Brundage says there is a petition being circulated by PG&E supporters, which would go in the June primary. SMUD would have its vote in November. The Sacramento and Yolo vote would be in November 2006. The majority of each area will have to approve it. The Board of Supervisors gets to decide when Yolo County will vote. It goes through the City and the County and all those County's have to do it in sync.

According to County Counsel, the Sacramento LAFCO decision transmits it to the entities in Yolo County for it to be placed on the November ballot, assuming Sac LAFCO makes its decision in June of this year. Steve Nocita says he can't find the provision that would allow Yolo County to adjust an election ordered by Sac. County.

Thomson asked under what law can one jurisdiction tell another what to do? Steve Nocita replied that the provisions are made in the CKH Act and in cases where subject territory crosses County boundaries an agency has to take the lead. Sac LAFCO is taking the lead on this project because the bulk of the service territory is in Sacramento. Thomson asked staff to continue to review that. Elizabeth interjected that there are some sections of the utility code that plays into this and it may have conflicting versions. Thomson asked that LAFCO take some time to look into that.

Approved by the following vote:

Motion: Thomson. Second: Sieferman YES: Woods, Thomson, Sieferman. NOES: None. ABSTAIN: None. ABSENT: Kristoff, Pimentel.

Public Hearing

Entry No. 6- **CONTINUE PUBLIC HEARING OF THE MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE STUDIES FOR THE NORTH YOLO COUNTY SERVICE AREAS (SNOWBALL AND DUNNIGAN)**

Minute Order 2006-04: The Commission moved to Continue the public hearing of the Municipal Service Review and Sphere of Influence studies for the North Yolo County Service Areas (Snowball and Dunnigan) to allow sufficient time for County Service Area staff to review and to provide requested input.

Approved by the following vote:

MOTION: Sieferman SECOND: Thomson: YES: Kristoff, Thomson, Sieferman, Pimentel, and Woods NOES: None. ABSTAIN: None. ABSENT: Kristoff, Pimentel.

Entry No. 7- **EXECUTIVE OFFICERS REPORT**

Minute Order 2006-05: Elizabeth will meet with CAO staff that is putting together a presentation for the Board of Supervisors to review Knights Landing Community Services District Board Member Warren King's tax rate spreadsheet. Elizabeth also requested that

the District in an official action, provide a letter to LAFCO.

Elizabeth introduced and welcomed Elisa Carvalho as the new Yolo County LAFCO Analyst. LAFCO is very close to hiring a new Commission Clerk.

Under active proposals LAFCO has two Knights Landing items. Warren King from the KLCSD addressed the Commission to express his concerns over the loss of property tax from the White and Railroad Street Annexations. He also provided tax revenue figures.

LAFCO will try to consider the impact on the District and their ability to provide services without that tax, but it comes down to the decision by the Board of Supervisors.

MOTION: Thomson. SECOND: Siefertman YES: Woods, Thomson, Siefertman. NOES: None. ABSTAIN: None. ABSENT: Pimentel, Kristoff.