

MINUTES OF THE MEETING OF OCTOBER 5, 2005

The Sacramento Local Agency Formation Commission met this fifth day of October, 2005, at 5:30 P.M. in Board Chambers, Sacramento County Administration Center, 700 H Street, Sacramento, California.

PRESENT: Robert King Fong, Chair; Christopher Tooker, Vice Chair; Commissioners Charles Rose, Elliot Mulberg, Susan Peters, Illa Collin and Sophia Scherman, and Alternate Commissioner Kevin McCarty.

STAFF: Peter Brundage, Executive Officer; Donald Lockhart, Assistant Executive Officer; Nancy Miller, Commission Counsel; and Marilyn Ann Flemmer, Commission Clerk.

The meeting was called to order by the Chair at 5:35 P.M. Alternate Commissioner Kevin McCarty was asked to lead the Pledge of Allegiance. The Clerk called roll.

CONSENT CALENDAR

On a motion made by Commissioner Tooker, seconded by Commissioner Scherman, the Corrected Minutes¹ of August 3, 2005 and Claims dated September 30, 2005, were unanimously approved.

CITY OF FOLSOM **PROPOSED ANNEXATION UPDATE**

Ms. Gail DePardo, Principal Planner, City of Folsom, addressed the Commission. She gave a Power Point report discussing the planning process for the Folsom Sphere of Influence Amendment territory. There was Commission discussion regarding water, roads, open space and land use issues.

Mr. Robert Holderness, representing AKT Development, addressed the Commission. Mr. Holderness reported that AKT is "delighted with the progress we have made with the City... you will find that as this project goes forward, you will be pleased by the standards we are using," he stated. He then addressed the north-south road through the proposal and stated it was intended to reduce the impact of traffic and air pollution.

¹ Page 2, paragraph 2, last sentence: "without condition" removed from sentence.

**SMUD SPHERE OF INFLUENCE/
ANNEXATION PROCESS UPDATE**

Commission Chair Robert King Fong reclused himself from the SMUD Agenda item and left the room. Alternate Commissioner McCarty was seated in his place. Vice Chairman Christopher Tooker assumed the duties of the Chair. Susan Peters arrived at the meeting. Peter Brundage gave a Power Point presentation regarding the process of the proposal and reviewed the activities that have occurred to date. Mr. Brundage addressed the subject of the issuance of the Notice of Preparation and the scoping meeting for the Environmental Impact Report. The Executive Officer gave a proposed schedule of events culminating in a November 2006 election for the proposed SMUD Sphere of Influence and Annexation of Territory in Yolo County project. Commission Counsel advised, "The proposed time table assumes action on the part of the Commission that may or may not occur. It is just a draft; it is not in any way prejudging your ability to review and/or to deny this project."

There was Commission discussion; staff answered Commissioners' questions; the Commission expressed concern over valuation issues and staff's access to the expertise of consultants. Mr. Brundage assured the Commission he would use consultants. Commission Counsel stated that she was even thinking about hiring an expert Counsel in utility law/ valuation/ other issues. Mr. Brundage stated that he will prepare a Municipal Services Review for the District and will prepare Workshops for the Commission prior to the opening of the official public hearings. Commissioner Tooker opened the floor for public comments.

Mr. Neil Peart, Councilman, City of Woodland, addressed the Commission. Mr. Peart stated the City is very excited about the project; they have been working three years on it. "I have 42 years of electrical contract work with SMUD and PG&E, " stated Mr. Peart, "And, I believe this is the right thing to do." He further stated he reviewed the Beck Report and "it is a very professional job and is well done." Mr. Peart concluded stating he hoped "the project would be moved forward and be on the ballot in November, 2006."

Mr. Oscar Villegas, Councilman, City of West Sacramento, addressed the Commission. Mr. Villegas stated that the City has done a good review of the proposal. "We hope you will stay on course in order to make the November 2006 election," stated Mr. Villegas.

Mr. Stephen Sousa, Councilman, City of Davis, addressed the Commission. Mr. Sousa stated the City Council unanimously supports this proposal. "We are looking forward to presenting this to our voters," he stated.

Mr. Dean Newberry, Coalition for Local Power, Davis, addressed the Commission. Mr. Newberry spoke of the value of the infrastructure and value/ cost issues and various methodologies for making that determination. "The Beck Report has very robust

numbers; your staff will have good opportunity to reinforce these numbers," stated Mr. Newberry. "The other issues concern governance," he stated, "and SMUD has proved quite capable." Mr. Newberry concluded by stating, "Both parties are competent. The issue is price and value. Move us forward to get to an election."

Ms. Mariko Yamada, Supervisor, District 4, Yolo County Board of Supervisors, addressed the Commission. Ms. Yamada stated "We reaffirm our commitment to say we wish the annexation to go forward. Nineteen out of twenty elected officials have voted to move forward." She read a copy of a letter the Yolo County Board of Supervisors sent to the California Public Utilities Commission to reaffirm their commitment to this process.

Mr. Arlen Orchard, General Counsel, Sacramento Municipal Utility District, addressed the Commission. Mr. Orchard stated "The District looks forward to working with the Commission on this process and I wish to express the commitment of my Board to the fact this will be a transparent and open process."

Mr. Jerry Adler, Chamber of Commerce, City of Davis, addressed the Commission. Mr. Adler read a letter from the Chamber addressed to Mr. Brundage. "The Davis Chamber of Commerce is opposed to SMUD's proposal to impose mitigation fees for impacts associated with SMUD service due to the loss of franchise fees and property taxes... We believe that this proposed shift in the source of revenues from PG&E to Yolo ratepayers is in essence a utility user's tax. We strongly suggest deletion of provisions appearing on pages 22 and 23 of the application," concluded Mr. Adler.

Mr. Dave Tamayo, Resident of Sacramento, addressed the Commission. Mr. Tamayo stated he supports public utilities and understands why Yolo cities want to be included. He stated that "No one has spoken to potential disadvantages; I want these types of issues discussed, are there risks to current ratepayers? I do not want to make the City of Woodland or Davis whole on this," concluded Mr. Tamayo.

Mr. Dan Berman, Coalition for Local Power, Davis, addressed the Commission. Mr. Berman distributed "Fun Facts" comparing SMUD vs. PG&E. Mr. Berman stated his support for the proposed annexation and said "SMUD charges much less than P.G.& E.; P.G. & E. is run by people who are in it for the money, not the service. Moreover, SMUD is a democratic organization. We have great confidence in SMUD," concluded Mr. Berman. Mr. Berman then gifted the Commission with a copy of a book he co-authored with John T. O'Connor, entitled Who Owns the Sun? People, Politics, and the Struggle for a Solar Economy.

Mr. Ed Bedwell, Pacific Gas and Electric Company, addressed the Commission. Mr. Bedwell stated, "Tonight is not the time to burden you with detail. We have met with Mr. Brundage, and P. G. & E. is committed to providing information to you. We welcome independent review and we believe that an independent consultant would be very helpful," concluded Mr. Bedwell.

Mr. Dudley Holeman, Yolo County Taxpayers League, Woodland City Councilman, and former Yolo LAFCo Commissioner, addressed the Commission. Mr. Holeman stated the concern of the "Taxpayers' League is property tax and franchise fees. Early in the discussion about the loss of franchise fees to the cities in Yolo County and mitigation measures to offset that, our concern is that a great deal more discussion needs to occur on this item. It should be a separate issue, to be voted on by the people," stated Mr. Holeman.

Vice Chairman Tooker then closed the public discussion, and closed the item. Chairman Robert King Fong returned to the Commission and asked the Clerk to call the next item.

Update on Swainson's Hawk Habitat in the City of Elk Grove

Mr. Phil Carter, Pacific Municipal Consultants, Consultant to City of Elk Grove, addressed the Commission. Sophia Scherman announced that the City of Elk Grove has closed on the purchase of 740 acres of Vineyard property to be converted to proper habitat for Swainson's Hawk. Four speakers, Taro Echiburu, Jim Ester, Dan Gifford, Wildlife Biologist, California Department of Fish and Game, and Mike Eaton, Nature Conservancy, Cosumnes River Preserve, gave detailed information on the mitigation of land, crop types and land purchases by the City of Elk Grove to be rehabilitated into proper habitat for the Swainson's Hawk.

WITTENHAM PLACE ANNEXATION TO CITRUS HEIGHTS WATER DISTRICT (03-05) [CEQA: Addendum to Negative Declaration]

The Assistant Executive Officer reviewed the staff report and recommend approval of the annexation. On a motion by Commissioner Tooker, seconded by Commissioner Scherman, the Commission unanimously approved the Wittenham Place annexation to Citrus Heights Water District. [Commissioner Collin then left the meeting.]

THE MEADOWS AT CRIPPLE CREEK ANNEXATION TO CITRUS HEIGHTS WATER DISTRICT (07-05) [CEQA: Addendum to Negative Declaration]

Donald Lockhart reviewed the staff report and recommended approval of the annexation. On a motion by Commissioner Tooker, seconded by Commissioner Scherman, the Commission unanimously approved the Meadows at Cripple Creek Annexation to Citrus Heights Water District.

LAFCo/ City of Sacramento MOU Status Report

Mr. Lockhart gave a quick status report stating that both the Natomas Joint Vision and Greenbriar Memorandum of Understanding are scheduled to go before the City Council, City of Sacramento, on November 1, 2005.

Open Space Progress Report

Mr. Lockhart stated staff has completed the outreach and he is now revising the draft policies to reflect public response. A workshop will be scheduled to review this in December. There was brief Commission discussion on this item.

Update: Monthly budget Report

Mr. Brundage stated this is a receive and file report. Commissioner Scherman moved receive and file; Commissioner Tooker seconded the motion which was unanimously passed.

Petty Cash Write Off [\$40.00]

Mr. Brundage stated the Auditor requests Commission action to write off a missing \$40.00 Petty Cash Fund. After some lighthearted commiseration, on a motion made by Commissioner Collin, seconded by Commissioner Tooker, the Commission unanimously approved the write off of \$40.00 from LAFCo's budget.

Update: LAFCo Work Plan

Update: Legislation

Conducting Authority Reports

There were no further reports. Commissioner Tooker reported that Elliot Mulberg was reappointed to the CALAFCo Executive Board at the Annual Conference in Monterey in early September, 2005. There was no further business. The meeting was adjourned at 8:15 P.M.

Respectfully submitted,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Marilyn Ann Flemmer
Commission Clerk

MAF
(Minutes October 5, 2005)