

5/14/05



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May 24, 2005

Mr. John DiStasio  
Assistant General Manager  
Energy Delivery & Customer Services  
Sacramento Municipal Utility District  
P.O. Box 15830  
Sacramento, CA 95852-1830

Mr. Paul Lau  
Energy Delivery & Customer Services  
Sacramento Municipal Utility District  
P.O. Box 15830  
Sacramento, CA 95852-1830

RE: **Brookfield Natomas**

Dear Mr. DiStasio and Mr. Lau:

We are attorneys for Brookfield Land Company, which in turn is authorized to act on behalf of the owners of more than 1,800 acres which border or are in the immediate vicinity of Elverta Road in Sacramento County. We have followed with great interest SMUD's plan to annex portions of Yolo County to its service area. All of us who are long time residents of Sacramento are appreciative of the thoughtful way that SMUD manages its business and protects its ratepayers, and certainly support SMUD's prudent business expansion.

However, one aspect of the proposed annexation is of great concern: the proposal to locate a new double circuit line connecting Elverta Substation to Woodland Substation **along Elverta Road**. For the reasons discussed below, on behalf of Brookfield Land and these owners, we respectfully request that SMUD eliminate the Elverta Road alternative before it commences environmental and other planning efforts or, at the very least, select a more northerly route as the preferred alternative.

We appreciate that further studies will be performed before route selection; however, we strongly argue that an unacceptable route should be eliminated now and planning dollars spent on alternatives which more fully comport with good planning principles.

Our concerns can be summarized as follows:

400 CAPITOL MALL  
SUITE 1800  
SACRAMENTO, CA 95814  
TEL: 916.446.4535  
FAX: 916.446.4535

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Mr. John DiStasio

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- **Both sides of Elverta Road are within the Natomas Joint Vision Area** designated by the City of Sacramento and the County of Sacramento as a new, approximately 10,000 acre residential community, and intended as a key component of the future economic growth of both the City of Sacramento and the County of Sacramento.
- **The SACOG Blueprint proposes dense residential development in this location.** Reducing the number of developable acres will adversely impact the Blueprint plan.
- **Good planning principles are not satisfied by placing overhead high voltage power lines through a planned residential development area.** Overhead power lines will block access to land, reduce the amount of acreage which can be developed, and reduce the overall marketability of the land because of aesthetic reasons, fears over health concerns, and impaired circulation.
- **This proposed alignment also 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.
- **Right-of-way acquisition costs will be much higher than estimated.** We believe that affected acreage owned by our clients would be approximately 36 acres. At current market value for development land, the cost of this right-of-way **alone** is upwards of \$14,000,000, many times SMUD's current estimate. This consideration alone argues for a more northerly location.
- **SMUD cost estimates do not take into account severance damages** reflecting the adverse impact of high power lines on adjacent residential development. We believe severance damages will be very substantial.

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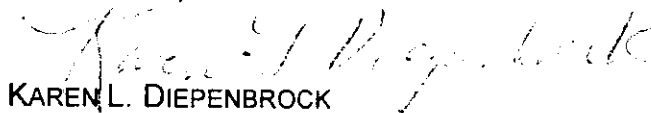
- **Reducing acreage will hamper efforts to save the Kings.** Natomas landowners have proposed to contribute substantial dollars towards a new Arena for the Kings. The earlier effort failed because not enough land was available to participate. If these efforts were to be revived, any reduction in acreage available for development will have an adverse impact on attempts to build a new Arena.
- As a policy matter, we suggest that **SMUD's power of eminent domain, an extraordinary power, should not be exercised where there is intense landowner opposition and an alternate route through industrial land is available.**
- **Extensive landowner opposition** inevitably leads to delay and increased costs.

We respectfully request that a more northerly location be designated as the primary alternative for the double circuit line and that any further consideration of an Elverta Road alignment be abandoned.

We hope to can find an immediate resolution to this problem.

Very truly yours,

Diepenbrock Harrison  
A Professional Corporation

  
KAREN L. DIEPENBROCK

KLD:nvl

CC.:	Bill Slaton, President, Ward 7	N. C. Doyel	Warren Chang
	Genevieve Shiroma, Vice	Robert C. Thomas	Haesun Koo
	President, Ward 4	Terry Schutten	Ceel Land Corp.
	Linda Davis, Ward 1	John M. & Janice Bianchi	Lechan Land Corp.
	Susan Patterson, Ward 2	Jack W. & Mary Beth DeWit	John Chang & Grace Chang
	Howard Posner, Ward 3	Richard G. & Lois A. Hendrix	Sung Woo Lee & Hyun Joo Lee
	Peter R. Keat, Ward 5	Richard L. & Judith A. Driggs	Yekun Lim & Inok Lim
	Larry Carr, Ward 6	Edward A. & Marjorie E. Willey	Louis J. Silva
	John W. Norman	Donald H. & Ann Frazer	Geraldine F. Silva

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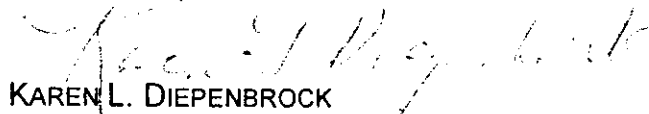
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