



CITY OF SACRAMENTO

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LORRAINE MAGANA
CITY CLERK

July 6, 1982

John Farrell
Executive Officer
Local Agency Formation Commission
700 "H" Street
Sacramento, CA 95814

Dear John:

At its regular meeting of June 29, 1982, the Sacramento City Council in accordance with Government Code Section 56275, moved to officially request the Sacramento Local Agency Formation Commission to reconsider its vote on the Folsom Annexation to the Sacramento Municipal Utility District.

In taking this action, the Council expressed specific concerns regarding:

1. The justification for holding the annexation election only in the area to be annexed and not in the district as a whole;
2. The impact of the annexation on the rates charged customers within the current SMUD service area;
3. Possible undesirable growth stimulus in the annexation area;
4. The ability of SMUD to absorb increased and accelerated electrical demands in an economical fashion; and,
5. The manner, timing, and cost of existing and future service as it may be distributed between existing and new customers.

John Farrell
July 6, 1982
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If your Commission votes to reconsider your action on this matter at your July 13, 1982 meeting, the Council requests an opportunity to prepare and present its position at a later date.

Sincerely,


Lorraine Magana
City Clerk

LM/mm

cc: Members of the Council
City Attorney
Pacific Gas & Electric
Sacramento Municipal Utility District
William Holliman Jr.

Mr. John Farrell, Executive Officer
Local Agency Formation Commission
700 H Street
Room
Sacramento, CA 95814

*Call Mac
when ready*

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5. The manner, timing, and cost of existing and future service as it may be distributed between existing and new customers.

If your Commission ~~chooses~~^{votes} to reconsider your action on this matter, ^{at your July 13, 1982 meeting} the Council requests an opportunity to prepare and present its position ^{at a later date.}

Sincerely

Lorraine Meyers

*Call
Bldg
Inspection*

cc members of the Council
City Attorney
Pacific Gas & Electric Co.
Sacramento Municipal Utility District

Transcript
June 29, 1982
Item 31-2

Kastanis: As your representative to the LAFCO Board, there's been some question concerning the action that LAFCO took recently concerning the SMUD Annexation of the City of Folsom and the adjoining areas. As your representative to this Committee, I'd like to report to you that I did not cast a vote at that hearing because I attended this meeting. Unfortunately, both meetings were called at the same time.

And I personally have no questions or no other recommendations to this Council regarding the action taken by LAFCO. And wanted you to know that publicly tonight and would like to offer any discussion if you had any questions regarding it all.

Isenberg: Okay. Futher ideas and questions. Mr. Shore?

Robie: Oh, I had a ...

Isenberg: Mr. Shore, then Mrs. Robie, then Mr. Fisher, then Mr. Pope...

Fisher: I don't have anything.

Isenberg: ...then Mr. Serna, and then me. Okay, Mr. Shore?

Shore: No, I don't...

Isenberg: Mrs. Robie?

Robie: Well, I would like to encourage LAFCO to relook at the annexation and it's my understanding that SMUD will be looking at the annexation issue July 15th. So whatever this Council has to, do it tonight or send it to committee in one week.

I don't know whether anyone else on the Council has any concerns about that particular issue or not. But I have some really grave concerns. I think there may be some people here tonight who may want to speak on this subject.

Rudin: Is the question tonight whether to have the Council even consider (unintelligible)?

Robie: Ask to send it back to LAFCO. It is my understanding is that the Council has 60 days in which to do that.

Shore: If I can...

Isenberg: Mr. Shore?

Shore: There's actually two issues the Council should decide upon apart from any other issues. One is the whole issue of annexation whether the Council supports it or not. Or whether they support LAFCO's recommendation.

The second issue, which I think Mr. Kastanis might have been referring to, is whether the vote that would be this fall, involves just the potential area to be annexed, which is the Folsom area. Or the entire SMUD district. And as I understand the LAFCO recommended just the Folsom area to vote. And I gather there's some sentiment that maybe the entire SMUD District should have a say in the vote because of the potential implication on rates. That clarifies it.

Isenberg: Mr. Fisher?

Fisher: Terry, I have been told that, that Parker plant will not go in unless SMUD annexes out there. Have you heard that statement made?

Kastanis: No. I understand that, that was...

Fisher: Well, whatever plant. What is it, the Leland plant.

Isenberg: Hewlitt Packard.

Fisher: (Unintelligible) Is it that 10,000 employee plant that supposed to.. I understand now. I got that from a good inside source out there that they will not go in unless SMUD's annexes that out there. Because they don't want to be under the P.G. & E. regulation.

Kastanis: I'm sure that had had something to do with this entire discussion. But that was not part of any staff reports submitted to me.

Fisher: No. Okay.

Connelly: Mr. Mayor?

Isenberg: Mr. Connelly?

Connelly: The.. It's a procedural issue before us. Although SMUD considers it July 15th, the real issue is whether or not we ask LAFCO to reconsider their vote. The vote at LAFCO was 6 to 1. The ...

Fisher: Who was the one?

Connelly: Illa Collin was the one.

Fisher: To vote for the...

Connelly: The vote.

Isenberg: Who would vote on the issue?

Connelly: On the issue of who is to vote, Ms. Collin was the one in favor of a district wide vote as opposed to the smaller end. The.. LAFCO was not meeting between now and July 15th., so 4 members would have an affirmative decision to hold a special meeting to reconsider it when there was a 6 to 1 vote. And although I'm inclined to think that the argument in favor of a district wide vote probably is the argument that has merit. I mean, the truth is that we are at the point where us taking some formal act. I mean, it's just, you know, I mean, there's a point at which we make a realistic assessment and a realistic assessment is that we cannot reasonably hear the issue, make a decision and communicate it to them. Realistically motivate them to have a special meeting, to take action which would require 3 people to change their vote before SMUD hears it on July 15th. And I just, you know, that's, that's my sense. So I don't think we ought to devote a lot more time to it this evening. I just, I know. I don't know if I'm stepping on...

Kastanis: No, as a matter of fact, Mr. Connelly, I'm not making any recommendations either. I'm merely reporting some action from the Commission to the Council.

Fisher: It'd be awful hard to pick up 3 votes knowing, after serving on there also. Be awfully hard, you'd maybe get 1 but you're no going to pick up 3.

Shore: You don't think (unintelligible) out there?

Robie: Well, I'd like to see the Council do actually that. Ask LAFCO to relook at it. But if there aren't any other concerned people, I think there are some, a lot of unanswered questions. And that is, the kinds of questions that you're talking about tonight. What kinds of industry that is coming out there and what will their energy needs be and what will those needs then fall on the rest of the SMUD area. But if you don't have a second, you don't have a second.

Isenberg: Well, I don't know. Was that a motion?

Robie: Yes.

Isenberg: Is there a second?

Shore: I don't know what the motion is.

Isenberg: Second is to request LAFCO reconsider it's action.
Is that correct?

Robie: Which is a procedural thing within the next 60 days.

Isenberg: All right. And it is, let me just, wait, wait, wait.
Let me just make sure I understand the motion. You're
not expressing opposition...

Robie: No.

Isenberg: ...or support of the annexation or the method of its,
but solely, if I understand correctly...

Robie: It's procedural.

Isenberg: You want a procedural reconsideration of their action
to allow this body a time to examine the issue and give
appropriate comment. Now is that what you're saying.

Robie: That's what I'm saying.

Isenberg: Okay, Mr. Pope is that acceptable to you?

Pope: Yes.

Fisher: You're not being involved with a whole district vote
then?

Isenberg: What seh's saying is...

Robie: We would then look at that...

Isenberg: We want them to temporarily withdraw their actions
so we look at the overall issue of, I assume, whether
there should be annexation out there. Number 2, if
there should be, who should vote on it. But we are
not expressing an opinion tonight on those issues.

Robie: We don't have the material before you.

Isenberg: That is the motion alright? Discussion?

Connelly: Let me, let me make sure I understand the motion, the

- Connelly: motion is, we're asking LAFCO to, to...we're not urging them to take a specific action, all we're asking to do is hold another hearing? Is that the vote?
- Isenberg: Well...
- Connelly: ...and it is our intent that we are going some committee meetings or something in the interm to formulate a position?
- Fisher: Who is going to put the input into them...and who is going to make a decision for us to put the input in?
- Pope: If LAFCO does decide to reconsider their decision, I think what Lynn is saying is that then it would allow us time to make or take a position on whether or not we want to have a general vote or just a Folsom vote or what and then we take their, we make their decision after we've had a chance to consider the issue That's what you're saying?
- Robie: I don't think we can make their decision but I...
- Pope: No, after we have a chance to consider it and take a position.
- Robie: Yes.
- Isenberg: Futher comments?
- Rudin: If that's the case, then I think we should ask them first if they are willing to defer decision or to reconsider holding off on making a recommendation to SMUD until we've had a chance, if they say closed then there's no point in our making...
- Isenberg: That's essentially what the motion says...
- Robie: But that's essentially what they can say to us...
- Kastanis: But let me remind the Council that, that's exactly what happened that night that was the entire pupose of the hearing and the vote was 6 to 1 they proceived that as discusses, so that's why I'm saying I'm not recommending an action at all tonight, I can speak against Lynn's motion, but that's water over the bridge. There are other processes in which their concerns can be addressed the SMUD's Board and a general election so I think it's a boot point.
- Isenberg: Futher discussion?

Fisher: It's a mute point you figure, Terry, smooth?

Kastanis: Moot.

Isenberg: Mute, this Council is not.

Lloyd: I think Lynn's motion is to be honest, is silly, I'm going to vote for it because I ...I ... there's an argument that the Council should have put it in committee, spent some time on it and so forth and after the public hearing, I feel a little bit reluctant to go back and ask them, but I... I mean its...

Robie: Well, part of the problem Lloyd, is there's major decisions being made in this community...

Connelly: I'm Lloyd.

Isenberg: I say Lloyd.

Connelly: I'm going to vote your motion.

Robie: Alright I think there are major decisions being made in this community without any council action, input, or without really having enough knowledge.

Fisher: Well we've definitely constructed things tonight, one silly thing won't hurt.

Shore: Let, let me suggest...

Isenberg: BRIEFLY, please briefly, God!

Shore: The motion that Lynn's suggesting it'll almost be better to just have the City Manager just report back in a week and let us know what our options are.

Serna: Call the questions, Mr. Mayor.

Isenberg: I'm about to call the questions everyone here talking. Call the roll.

Lorraine: Connelly, (aye); Fisher, (no); Kastanis, (no); Pope (aye) Robie, (aye); Rudin, (aye); Serna, (aye); Shore, (aye); Isenberg, (aye).