



SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite #100
Sacramento, California 95814
(916) 874-6458

March 5, 2014

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE:  **Municipal Service Review Status Report**

CONTACT:  **Don Lockhart, AICP, Assistant Executive Officer (916) 874-2937**
(Don.Lockhart@SacLAFCo.org)

RECOMMENDATION:

Receive and File report.

BACKGROUND:

The Sacramento LAFCo Local Policies, Standards, and Procedures (LPSP,) in conjunction with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Act,) establish procedures for local government changes of organization, including city incorporations, annexations to a city or special district, and city and special district consolidations or dissolutions. Pursuant to the LPSP and the Act, as necessary your Commission conducts Municipal Service Reviews (MSR) regarding the municipal services provided throughout the county. Municipal service providers include cities, both independent and dependent special districts, and county service areas.

Your Commission requires Municipal Service Reviews for Spheres of Influence Amendments, authorization of latent powers, and with any other similar action requiring Commission approval.

DISCUSSION:

Background

The MSR is a comprehensive review of municipal service delivery, either within a designated geographic area, or by service types. It is a collaborative effort by your staff with the various service provider staff to:

- Provide accessible information about municipal services in the geographic or service area,

- Evaluate the provision of municipal services from a comprehensive perspective, and
- Recognize sound service delivery systems, or recommend actions to promote the efficient provision of those services.

Goals

The MSR serves as an information resource that can be used by your Commission, the public or other local, regional and state agencies based on their area of interest, or statutory responsibility to:

- Promote orderly growth and development with consideration of service feasibility and service costs.
- Encourage infill development.
- Learn about service delivery successes and opportunities.
- Plan for timely provision of financing and phasing of infrastructure to support planned growth.
- Support perspectives that address regional issues, while respecting local standards.
- Develop a means for dialogue among agencies that provide comparable services.
- Develop a support network and promote efficient resource acquisition.
- Develop strategies to minimize costs, and improve public service provision.
- Provide ideas about alternative or modified government structures.

Municipal Service Reviews

Your Commission has adopted the attached MSR questionnaire to facilitate the review process. The final MSR provides the information to enable your Commission to make Determinations with respect to each of the following:

- (1) Growth and population projections for the affected area.
- (2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
- (3) Financial ability of agencies to provide services.
- (4) Status of, and opportunities for, shared facilities.

- (5) Accountability for community service needs, including governmental structure and operational efficiencies.
- (6) Any other matter related to effective or efficient service delivery, as required by Commission policy.

The following process is proposed to complete MSR's set forth in this report. Thirty-one (31) MSRs have been completed and sixteen (16) are currently in progress.

MSR Process

- 1. Collaborate with affected agencies to complete the MSR questionnaire, and provide other supporting information in electronic format to facilitate information sharing.
- 2. LAFCo staff evaluates responses to questionnaires and conducts public outreach.
- 3. Staff prepares Draft MSR utilizing information provided by the public and affected service providers in order to present the material to your Commission in a public hearing. This step also initiates the thirty day Draft MSR public review period.
- 4. Staff reviews public comments and prepares the Final MSR for Commission consideration.

Summary of MSR Status

Current Municipal Service Reviews (MSRs)		
Agency	Meeting	Questionnaire
Sacramento Metro Fire District (Update)	TBD	02/06/14
City of Citrus Heights	06/04/14	08/09/12
Elk Grove WD (Florin Resource CD)	TBD	02/05/14

While preparing this report, your staff was contacted by Ms. Darlene Westphal, a member of the Herald community. She has provide a letter of concerns which is attached. Ms. Westphal respectfully requests that the 2005 Herald FD MSR be considered for an update. Your staff has no objection to this request.

The following list summarizes completed MSRs and those that were initiated earlier, and are currently in progress.

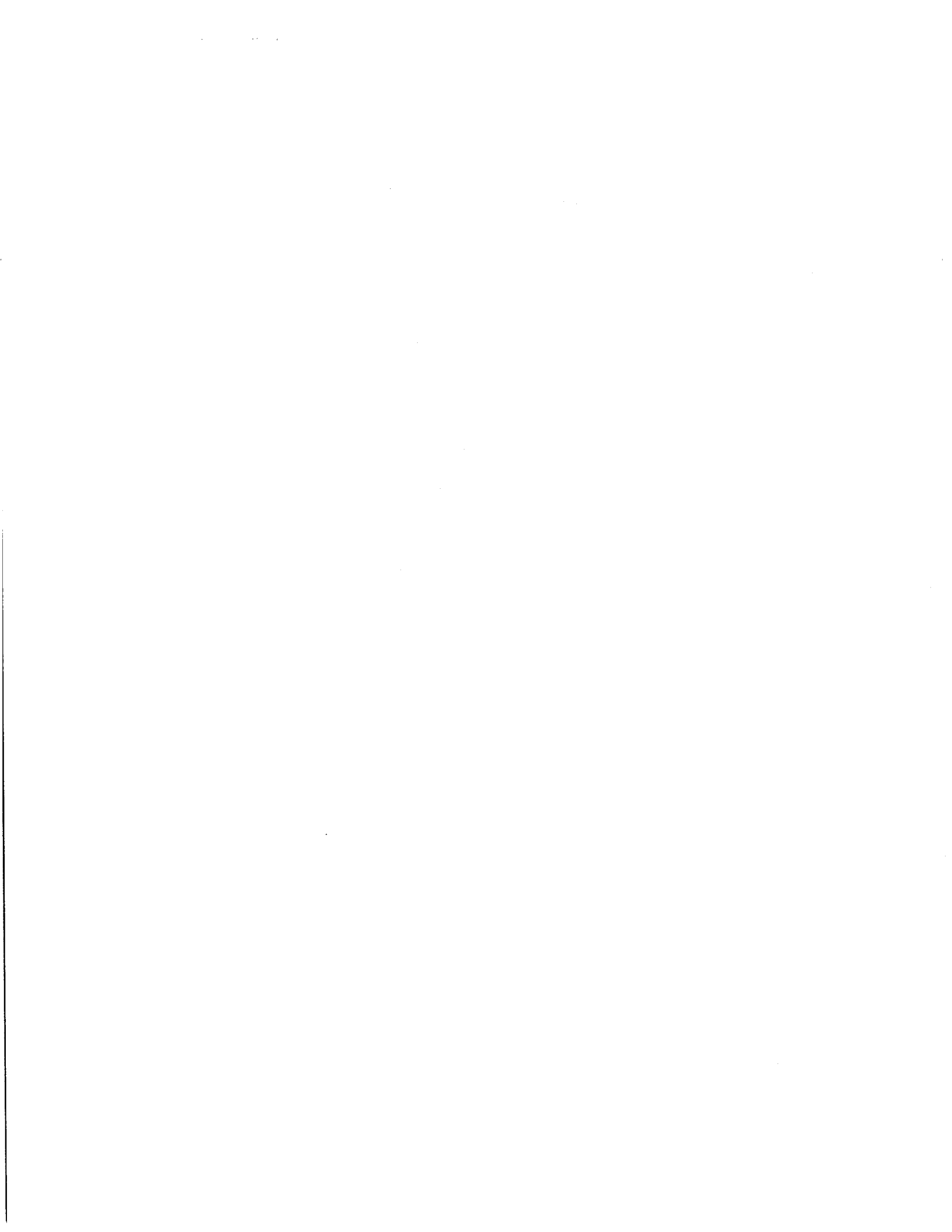
Summary of Municipal Service Reviews Completed and In Progress	
DISTRICT	MSR STATUS
American River Flood Control District	Complete
Reclamation District No. 1000	Complete
Pacific Fruitridge Fire District	In Progress
Natomas Fire District	In Progress
Sacramento Municipal Utility District	Complete
Arcade Creek Recreation and Park District	Complete
Arden Manor Recreation and Park District	Complete
Arden Park Recreation and Park District	Complete
Fair Oaks Recreation and Park District	Complete
Fulton El Camino Recreation and Park	Complete
Mission Oaks Recreation and Park District	Complete
North Highlands Recreation and Park	Complete
Southgate Recreation and Park District	Complete
CSA 4B Wilton Recreation and Park	In Progress.
Orangevale Recreation and Park District	Complete
Sunrise Recreation and Park District	Complete
Cosumnes Community Services District	In Progress
Elk Grove Cosumnes Cemetery District	Complete
Fair Oaks Cemetery District	Complete
Sylvan Cemetery District	Complete
Galt-Arno Cemetery District	Complete
Sacramento-Yolo Mosquito District	Complete
City of Elk Grove	Completed – no action pending.
City of Galt	Complete
City of Sacramento	Complete
City of Folsom	Complete
City of Rancho Cordova	Complete
City of Isleton	TBD
Rural Fire Districts	
Herald Fire District	Complete
Wilton Fire Protection District	In Progress.
Courtland Fire Protection District	In Progress.
River Delta Fire Protection District	In Progress.
Delta Fire Protection District	In Progress.
Walnut Grove Fire Protection District	In Progress.

Water Districts	
Carmichael Water District	Complete
Citrus Heights Water District	Complete
Sacramento Suburban Water District	Complete
Fair Oaks Water District	Complete
San Juan Suburban Water District	Complete
Florin County Water District	TBD
Omochumne Hartnell Water District	In Progress
Del Paso Manor Water District	Complete
Rio Linda Elverta Comm. Water District	In Progress.
Resource Conservation Districts	
Florin Resource Conservation District	In Progress.
Granite RCD	In Progress.
Lower Cosumnes RCD	In Progress.
Sloughhouse RCD	In Progress.

Attachments:

MSR Worksheet & Questionnaire
Correspondence from Ms. Darlene Westphal

DL:dl MSR_Memo_03_05_14



SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite #100, Sacramento, California 95814
(916) 874-6458

MUNICIPAL SERVICE REVIEW WORKSHEET
AND QUESTIONNAIRE
DISTRICT PROFILE

Date:

Agency Name:

Address:

Website:

Telephone: (FAX)

Administrator Name:

Title:

Name of Contact:

Contact's E-mail Address:

Agency's Principle Act:

Services Provided:

Latent Powers:

Governing Body:

Total Number of Employees:

Represented # Unrepresented

Acreage/ sq. Miles within Agency:

Total Population within Agency:

Total Registered Voters within Agency:

INTRODUCTION

Background Information

The _____ District is an Independent/Dependant Special District.

- **Mission:**
- **Setting:**
(Please attach map of the district boundary)

History

The District was formed in _____. The District was established to provide _____ services

(Please feel free to provide historical context.)

Services Provided

Management and Staffing Structure

Management Structure

Employment Structure

The District employs: _____ full time positions.

In addition, the District employs on average ____ part-time, _____ seasonal and _____ positions.

Please attach organization chart.

- The type and purpose of contracts and consultants.
- Please feel free to mention any awards or recognition the agency has received.
- Describe ongoing training and personnel policies.
- Are salaries and pay scales comparable/ competitive with regional and industry standards?
- Is organization structure similar with like service providers?

Municipal Service Review Information and Determinations

1. Growth and Population Projections (This provides the public with a “snapshot” of your community.)

Type of Information to be provided:

- What is the current level of demand for services?
- What is the projected demand for services?
- Please provide growth rate and population projections.
- Please provide any other information relevant to planning for future growth or changing demographics.

LAFCo MSR Determination

LAFCo to Complete

2. Facilities and Programs

A. Facilities

Summary of Facilities (Parks, Physical Plant)

NAME	LOCATION	SIZE (Acres)	AMENITIES/SPECIAL FEATURES	DESCRIPTION

(Attach additional page if necessary)

Please attach Facilities Map.

Present and Planned Capacity of Public Facilities

- What is the current and projected service capacity?
- What is the level of adequacy of services and facilities to serve current and future population?
- What Performance Measures are used by the District to determine service adequacy?

Infrastructure Needs or Deficiencies/Capital Improvement Program

- Describe the District's Capital Improvement Program, as applicable.

- Describe deferred maintenance strategy.
- Describe policies and practices for depreciation and replacement of infrastructure.
- How will new or upgraded infrastructure and deferred maintenance be financed?
- List infrastructure deficiencies, if any; indicate if deficiencies have resulted in permit or other regulatory violations; if necessary, explain how deficiencies will be addressed.
- Provide evidence of compliance with applicable regulatory standards (for example, CA R-39-97 (Certified Playground Safety Standards) for Recreation and Parks Districts)

B. Programs

Summary of Programs (Recreation, Education, Conservation, etc.)

NAME	LOCATION(S)	SIZE (# Participants)	DESCRIPTION

(Attach additional page if necessary)

LAFCo Determination
LAFCo to Complete

3. **Financial Information**

Budget (Please attach current budget.)

Revenue

- Describe all revenue sources (i.e., property taxes, special taxes, service charges, fees, rentals, assessments, grants, etc.).

Rates, Fees, Charges, and Assessments

- Describe rate setting methodology.
- Explain constraints associated with agency's ability to generate revenue. What options are available – special assessments/ special taxes/ increases in sales tax/impact fees/grants, etc.?
- Please provide a comparison of rates and charges with similar service providers (favorable or less so).
- Describe revenue constraints.

Expenditures

- Describe the agency's Service Levels compared to industry standards and measurements.
- Describe the Cost of Service compared to industry standards and measurements.

Assets, Liabilities, Debt, Equity, and Reserves

- Provide the Book Value of Assets.
- Provide a list of equipment, land, and other fixed assets.
- Provide a summary of long term debt and liabilities.
- Explain the agency's bond rating; discuss reason for rating. Discuss amount and use of existing debt. Describe proposed financing and debt requirements.
- Describe policies and procedures for investment practices
- Describe policies and procedures for establishing and maintaining reserves/retained earnings.

- What is the dollar limit of reserves/retained earnings?
- What is the ratio of undesignated, contingency, and emergency reserves to annual gross revenue?

Summary of Revenue Sources

Fiscal Year	Past Year (2)	Past Year (1)	Current	Projected
Property Taxes				
Interest				
Rental Income				
HPTR				
In-Lieu Fees				
State & Federal Grants				
Recreation Fees & Grants				
Miscellaneous				
Fund Balance Avail.				
Total				

Summary of Expenditures

Fiscal Year	Past Year (2)	Past Year (1)	Current	Projected
Salaries & Wages				
Services & Supplies				
Long-Term Debt				
Capital Improvements ¹				
Equipment				
Contingency ²				
Total				

1. Identify Sources of Funding:
2. Fixed or Variable?

Summary of Financial and Operational Information

	Current FY
Population	
Area Served	
Developed Real Estate	
Undeveloped Real Estate	
Service Standard Ratios ¹	
Full Time Employees	
Average Part-Time Employees	
Total Annual Budget	
Per Capita Spending	
Total Annual Administrative Costs	
% Annual Administrative Costs to Total	
Estimated Deferred Maintenance	
Average Capital Improvements (5 Years)	
Reserve Amount	
Operational Cost per Employee	
Average Property Tax Rate	

1. For example, Park acres per 1000 residents

LAFCo Determination

LAFCo to Complete

4. Status of and Opportunities for Innovation and Shared Facilities

- a) Describe existing and/or potential shared facilities, infrastructure, and staff. Describe any joint power agreements or other agreements for sharing resources with other agencies.
- b) Describe existing and/or potential joint use planning.
- c) Describe existing and/or potential duplication with existing or planned facilities or services with other agencies.
- d) Describe availability of any excess capacity to serve customers or other agencies.
- e) Describe any economies of scale in shared purchasing power, and any other cost-sharing opportunities that can be implemented by joint use or sharing resources.
- f) Describe any duplication (overlap), or gaps in services or boundaries.
- g) Describe ongoing cost avoidance practices. (For example, if you hire contract vs. in-house employees, is the bidding process cost effective and efficient)?
- h) Describe any opportunities to reduce overhead and operational costs.
- i) Describe any opportunities to reduce duplication of infrastructure.
- j) Identify any areas outside agency boundary which could be efficiently served by existing or proposed agency facilities.
- k) Identify any areas within agency boundary which could be more efficiently served by another agency.
- l) Are your service plans compatible with those of other local agencies?

LAFCo Determination

LAFCo to Complete

5. Accountability for Community Service Needs, including Governmental Structure and Operational Efficiencies

- a) Explain the composition of the agency's governing board.
- Number of Directors:
 - Nature/ Length of Terms:
 - Is governing body landowner or population based?
 - Are Directors elected or appointed?
 - Are elections or appointments at large or by district?
- b) Explain compensation and benefits provided to the governing board, including any benefits that continue after term of service.
- c) Where and how frequently does the governing board meet?
- d) Describe rules, procedures, and programs for public notification of agency operations, meetings, programs, etc.
- How is public participation encouraged?
 - Are meetings accessible to the public, i.e., evening meetings, adequate meeting space, etc.?
- e) Describe public education/outreach efforts, (i.e., newsletters, bill inserts, website, etc.)
- f) Describe level of public participation, and ways that staff and Directors are accessible to the public.
- g) Describe ability of public to access information and agency reports.
- h) Describe any opportunities to eliminate service islands, peninsulas and other illogical service areas.

LAFCo Determination

LAFCo to Complete

6. Issues, Concerns and Opportunities

Please provide information regarding any issues or concerns related to operations (financial, managerial, legal, organizational, etc.)

- Compliance with Environmental Justice requirements.¹
- Compliance with regulatory reporting requirements.
- Compliance with regulatory agencies and public health and safety issues.

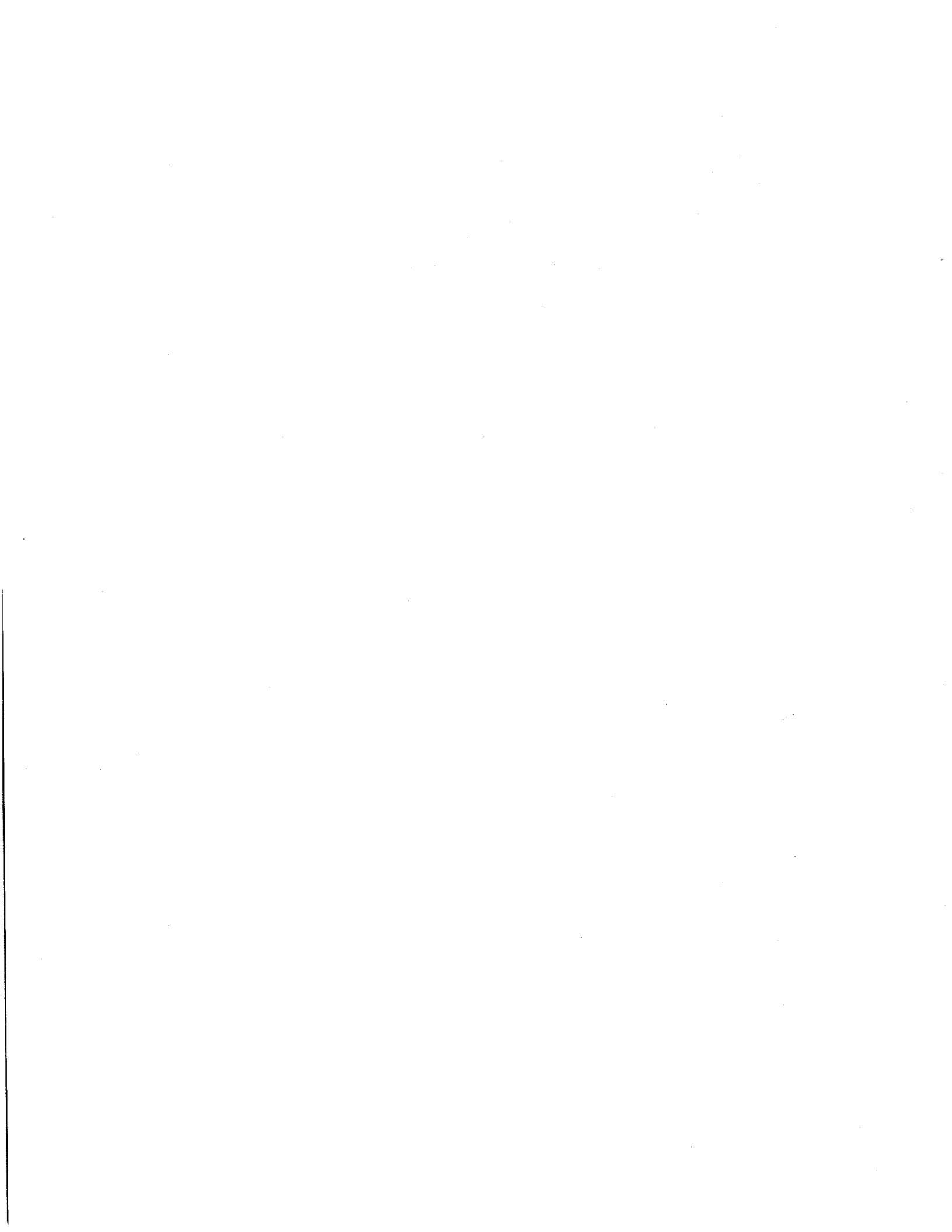
1. LAFCo definition of "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

LAFCo Determination

To be completed by LAFCo

Attachments:

- District Map
- Facilities Map
- Capital Program
- Organization Chart
- Budget
- Other



Lockhart. Don

From: educatedbaglady@aol.com
Sent: Thursday, February 27, 2014 10:14 AM
To: Lockhart. Don; castanb@sacourt.com; jlsbarton@aol.com; laurakeister@gmail.com; lancenewhall@gmail.com
Subject: RE: inclusion of the following request and attachment under item 6
Attachments: Request_for_LAFco_review.docx; SMUD and HFPD_NEW_0001.pdf

Attn.: Don Lockhart

From: Darlene Westphal

RE: Inclusion of the following request for a LAFco evaluation per attachments, under item 6 of the Regular Meeting Agenda scheduled for March 5th.

Thank you for allowing me to speak briefly regarding my concerns.

Note second attachment should be 3 pages, not 9. Please disregard other copies as I'm unable to determine how to correct this mistake. Again, thank you for your assistance.

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FEB 27 2014

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FORMATION COMMISSION**

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SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

2/27/2014

TO: LAFco Board, 3/5/2014 Board Meeting

FROM: Darlene Westphal, Herald Community Member

RE: Rationale for Requesting LAFco Review of Herald Fire Protection District(HFPD)

The last LAFco review was conducted as of 2/2005. The commission found the fire district to be solvent for the last twelve years(pg. 16) and in compliance with the current laws and regulations of governance and accountability at an "adequate" level(pg. 4). Further, HFPD's managerial efficiencies were judged "to operate with a high degree of efficiency and professional cooperation with the community and other private/public agencies(pg. 4)." The commission noted HFPD would be "capable of providing service" with current expected growth and population projections(pg. 3).

Since the publication of this review in 2/2005, the sphere of influence has evolved as follows:

- SMUD entered a contractual agreement with HFPD for provision of staff training, temporary emergency response, and specialized fire suppression and evacuation with SMUD paying for replacement of medical supplies and consumable equipment on 4/26/2005. Please refer to the attached letter, dated 2/21/2014 from SMUD's Assistant General Manager for Power Supply and Grid Operations, Mr. Paul Lau. Mr. Lau details the history, impacts on the community, and the annual monetary fee as well as describing the contractual agreement with HFPD that is in effect until 12/31/2016. This agreement serves to address the needs of SMUD's projects(Rancho Seco transmission yard and dismantled nuclear plant, Consumnes Power Plant(CPP), Rancho Seco Park, and the PV array, all located in the southeast area of the fire district. Station 88(all volunteer, unmanned station) is located approximately two miles from these properties.
- Emergency response time for basic medical and/or fire protection ranges from 30-45 minutes as evidenced by my daughter's former position as a lifeguard at Rancho Seco Park and our own medical emergencies in the past five years. I feel the response time is inadequate for a crisis such as a gas leak or other crisis requiring an immediate specialized care and evacuation. Further, HFPD relies on mutual aid from other area fire departments/CalFire for emergency transport, water/aerial fire suppression, and major alarm fires which further complicates the response time along with inadequate unpaved roads and restricted access points.
- The managerial structure of HFPD has been significantly changed in the past five years with the hiring of Chief Chris McGranahan and his management style. There has been a significant increase of paid staff and a significant decrease in Herald volunteer staff. According to the chief's report at the regular meeting on 2/19/2014, the majority of new volunteer recruits are out of the area. He was asked why the manned station 87 went unmanned on Sunday, 2/16/2014 and Monday, 2/17/2014 and he responded by stating "two employees had called in sick." In 2005, it was stated in the LAFco review that there was one full time paid staff, the chief who was on call 24/7 and a part time administrative assistant. Both stations were served by 25-30 firefighter volunteers,(pg. 4). It appears from the current monthly payroll report for paid staff to be approximately 11 full time firefighters including the chief, assistant chief, and administrative assistant , plus a part time administrative assistant were paid for a total of \$17,310.50. Approximately 60% of the paid salary went to administration.

- I believe the HFPD board has jeopardized the fiscal welfare of the district as evidenced by woefully inadequate implementation of standard accounting practices, decreasing the reserve account severely below the standard acceptable level: 10% of the operating budget, and the inability to keep and maintain records as noted by a Record Retention and Disposition Schedule policy, #3090, adopted in 2004 with a description of records/ disposition from the CPA Journal, 1987. HFPD has often received requests for checking account records from Farmers and Merchants Bank in Galt(formerly administered by Chief McGrannahan and Chairman Stigelmayer, from community members(including myself) with little success. This account was closed at the direction of the HFPD board in December, 2013 and entered into the county general fund. However, the community has been unable to ascertain the closing statement from this account. A four year audit of this account has been in process for several months.
- I feel the level of technology and training does not meet the required stipulations in the five rules of the HIPAA act in regard to handling confidential medical information. We have had three emergencies, one recent cardiac event where Medic Alert information was not provided to the emergency transport team. This resulted in a significant delay in providing the critical comprehensive information contained in this record needed for emergency treatment. I arrived at the hospital approximately an hour later with the attending nurse asking me for information contained in the photocopy given to HFPD rescue staff. Luckily, my husband didn't sustain any permanent damage due to the delay in medical intervention.

As a result of the aforementioned personal concerns, I am respectfully requesting a LAFco review of HFPD to evaluate managerial as well as operational procedures. Please note emphasis should be placed on appropriate staffing, training, specialized equipment, current level of apparatus and equipment inventories and repair logs, as well as the appropriate implementation of a records and disposition schedule along with application of standard accounting practices.



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FEB 27 2014

SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

February 21, 2014
AGM/PS&GO 14-05

Darlene Westphal
Herald Community Member
13654 Clay East Rd.
Herald, CA 95638

Dear Ms. Westphal:

This letter responds to the questions you sent to SMUD Director Bui-Thompson on January 25, 2014. Your primary interest appears to be finding out the impact that protecting Cosumnes Power Plant (CPP) and Rancho Seco Park has on the limited resources of the Herald Fire Protection District (HFPD), and the level of support SMUD provides to HFPD in return for that service. You also want to generally understand SMUD's relationship with HFPD and how the Rancho Seco facilities affect the surrounding community. As explained in more detail below, SMUD has built a solid working relationship with HFPD. HFPD is paid a significant amount for its services to Rancho Seco, and the CPP plant and Park staffs frequently coordinate with HFPD to ensure the firefighters have the technical training and support necessary to make sure they can serve effectively and safely as emergency responders to these important facilities. SMUD has also invested more than \$1,000,000 to bring noise and vibration levels from the CPP into compliance with the controlling standard.

Fire Protection Service

Funding

SMUD and HFPD have been partners for decades. In the early 1990s, SMUD maintained its own fire brigade onsite. But when decommissioning of the Rancho Seco Nuclear Generating Facility had made sufficient progress that an onsite brigade was no longer necessary, SMUD and HFPD executed the current service agreement, under which HFPD provides fire service and first aid. In 2005, the CPP was added to the agreement's service area, in exchange for which SMUD paid \$23,000. SMUD also makes annual payments that increase each year to account for inflation, and are currently at approximately \$17,000. In addition, HFPD is reimbursed for "any reasonable costs associated with supplies expended or equipment lost or retained by SMUD in the course of rendering assistance."

As you noted, local residents pay a \$150 annual fee to the Department of Forestry and Fire Protection (Cal Fire). This fee is levied against habitable structures (i.e., residential dwellings) in areas where the State holds primary financial responsibility for preventing

and suppressing fires. SMUD does not pay this \$150 fee because HFPD, not Cal Fire, is responsible for responding to fires at Rancho Seco. In addition, there are no habitable structures at Rancho Seco.

Coordination, Training, and Resources

HFPD has access to all components of the Rancho Seco facilities. SMUD provides annual training to HFPD and plant staff to ensure they have the technical expertise to work around and protect all of the specialized equipment onsite. This training includes but is not limited to high angle rescue, confined space entry, chemical spill response and fire suppression. Examples include controlled burn training sessions at the Rancho Seco Dam and unannounced emergency response drills. SMUD has also requested HFPD to train staff at the CPP on the safe use of fire extinguishers. The training helps CPP staff address incipient fires so they do not grow to the point where a full emergency response from HFPD is necessary. These training sessions not only provide technical expertise, but also give HFPD and plant staff the opportunity to work together as part of functioning team, which will help improve coordination if an actual response becomes necessary.

Rancho Seco Park and CPP staffs have detailed, specific Incident Response protocols that include designation of an onsite Incident Commander. In case of an emergency, the Incident Commander will be in charge of implementing the protocols and will work closely with the HFPD Fire Chief to ensure an effective, safe coordinated response. In addition, the CPP and the rest of the Rancho Seco facilities have sophisticated automatic fire detection and suppression systems designed to protect plant personnel and equipment, and to prevent fires from spreading.

Regarding resources, besides the specialized equipment made available to HFPD, SMUD gives access to Rancho Seco water for use in emergencies. During the last few years, HFPD has used this water to fill tanker trucks and a helicopter that made aerial releases to suppress a local grass fire. Rancho Seco and HFPD also provide mutual aid in the event of emergencies.

Evacuation Plans and Non-fire Emergencies

It is highly unlikely that an emergency event inside the Park or at the CPP would require an offsite evacuation. However, as a safety precaution, the Herald Fire Station has been designated as an evacuation assembly point and recovery control station. SMUD also provides semi-annual training to emergency response and local government officials each year, once at the Cosumnes Community Services District Fire Department's Training Facility and once at the Vic Fazio Yolo Bypass Wildlife Area Headquarters. The training includes discussion of the appropriate methodology for establishing evacuation zones and setting up assembly points.

One of your questions concerned explosions from natural gas. SMUD's natural gas pipeline stretches from the City of Winters to four power plants in Sacramento County, including the CPP. Because the pipeline is linear and extends for 76 miles, there is no single evacuation point. If an explosion or other emergency were to occur, the evacuation radius would vary

dramatically depending on the size of the event, weather conditions (wind strength and direction), population density in the affected area, and other factors.

Although SMUD used to maintain a siren emergency notification system, it was deactivated in the early 1990s. The system was no longer needed after the Rancho Seco Nuclear Generating Station ceased operation, which substantially reduced the chances of an emergency at Ranch Seco that could trigger an evacuation or affect areas offsite.

Rancho Seco and the Local Community

You also noted complaints by neighbors directly south of the CPP concerning noise and vibration during peak generation. During commissioning of the CPP in 2006 and 2007, SMUD received several such complaints. As a result, SMUD completed a noise survey of the area and developed a project to reduce noise levels. After quantifying the levels, SMUD hired Atco Noise Management to design and install appropriate noise reducing equipment. The equipment was installed between November 2006 and February 2007 at a cost of more than \$1,000,000. After installation, a second survey was conducted in March 2007 and the results were submitted to the California Energy Commission. All noise levels were found to be in compliance with the conditions of certification in the plant's license.

Photovoltaic Arrays

SMUD has maintained six Photovoltaic (PV) arrays at Rancho Seco. Arrays 1-4 and 6 were decommissioned and removed because they had become obsolete. Several of the arrays were becoming a safety issue. As part of the decommissioning, the site was fully remediated and the equipment was removed and either recycled, donated or disposed of in compliance with governing regulations. The remaining area was graded for drainage and covered in rock to preserve it and prevent erosion. Array 5 remains in service.

Relationship of Organizations Onsite

The Sacramento Municipal Utility District Financing Authority owns the CPP and has retained a contractor (Wood Group) to operate the plant. SMUD has also retained a contractor to operate and maintain the park facilities. SMUD oversees the activities of the contract operators.

If you would like further information, please feel free to contact me at (916) 732-6252 or by email at paul.lau@smud.org.

Sincerely,



Paul Lau
Assistant General Manager
Power Supply & Grid Operations

