

IOWA HILL JOINT ADVISORY COMMITTEE

August 29, 2007

Director Susan Patterson
President, Board of Directors
Sacramento Municipal Utility District
6201 S Street
Sacramento, CA 95817-1899

SUBJECT: THE IOWA HILL JOINT ADVISORY COMMITTEE'S RECOMMENDED MITIGATION MEASURES FOR THE IOWA HILL PUMPED STORAGE PROJECT

Dear President Patterson:

As you are aware, the Cooperation Agreement entered into by SMUD and the El Dorado County Parties includes a provision for the creation of the Iowa Hill Joint Advisory Committee (IHJAC). The purpose of the IHJAC is outlined in the Cooperation Agreement as follows:

3.4.2 **Iowa Hill Joint Advisory Committee.** On request of SMUD or the El Dorado Parties but no later than 30 days after SMUD's issuance of its Notice of Intention to Proceed (as defined in Section 4.3.1, below) with the Iowa Hill Development, the County and SMUD will form a Joint Advisory Committee to receive public input and to develop reasonable and feasible measures to substantially mitigate the impacts of activities related to the construction of the Iowa Hill Development on the surrounding communities and existing infrastructure.

3.4.2.1 The Joint Advisory Committee will be headed by co-chairs, one appointed by SMUD and one by the County.

3.4.2.2 The co-chairs will establish reasonable ground rules and meeting schedules.

3.4.2.3 The Joint Advisory Committee will meet as frequently as necessary for the duration of the construction of the Iowa Hill Development.

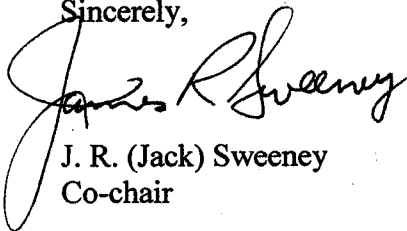
SMUD and the El Dorado Parties agreed that it would be beneficial to initiate the IHJAC process early in order to engage the local community and address its concerns regarding the Iowa Hill Development. To that end, the IHJAC was convened over one year ago and has been meeting at least monthly with the local community. The members of the IHJAC are as follows:

- El Dorado Co-chair: Jack Sweeney (El Dorado County Board of Supervisors)
- SMUD Co-chair: Jim Shetler (AGM, Energy Supply)
- Member: El Dorado Irrigation District – George Osborn
- Member: SMUD – Paul Bender
- Member: Apple Hill Growers' Association – David Bolster
- Member: Iowa Hill Action Committee – Jeff Hansen/Mike DeBord
- Member: Camino Action Committee – Christa Campbell.

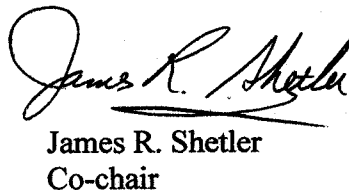
The IHJAC agreed that the best approach would be to develop a set of issues and recommended mitigation options that could be presented to SMUD for study as part of the California Environmental Quality Act (CEQA) process for the relicensing of the Upper American River Project (including the Iowa Hill Development). Based upon input from the local community, the IHJAC identified five major areas of concern: Visual, Noise, Transportation, Fire Protection, and Socioeconomic. The results of the IHJAC's efforts are attached to this letter in the form of matrices that summarize the IHJAC's findings and recommendations for SMUD's consideration. In addition, the IHJAC addressed a series of Administrative and General issues that are also attached. On behalf of the IHJAC, we request that the SMUD Board direct SMUD staff to incorporate analysis of the recommendations in these seven matrices in the forthcoming CEQA review for the UARP as possible mitigation measures for the Iowa Hill Development.

As the Co-chairs of the IHJAC, we thank the local community for their input and the members of the IHJAC for their efforts in seeing this process to this point. We would also like to thank the SMUD Board for allowing the local community the early opportunity to comment on this major project. Based upon the results of the SMUD staff review it would be the intent of the IHJAC to reconvene early next year to provide feedback to the local community on the status of these recommendations.

Sincerely,



J. R. (Jack) Sweeney
Co-chair



James R. Shetler
Co-chair

cc. w/o attach. IHJAC Members
SMUD Board Members
Jan Schori – SMUD
Scott Flake – SMUD
Apple Hill Growers' Association
Iowa Hill Action Committee
Camino Action Committee