

Water & Power Fight

In 5 years a battle for the funds generated by the American River Middle Fork Power and Water Project (MFP) will be joined. The FERC is in process of relicensing the MFP that powers 100,000 Placer homes and water to communities from Dutch Flat to Rocklin.

Competing interests are maneuvering to slice portions of the project's \$100 million new annual output. Supervisor Bruce Kranz is a leading advocate to protect the public interest/awareness of their investment by speaking to groups and communities.

In 1963, Placer citizens voted bonds to construct MFP with PG&E buying power at \$6-12 million yearly, maintaining the facilities and PCWA distributing the water. Bonds will retire in 2013.

Kranz argues that, "MFP was funded by Placer residents and the infrastructure of dams, reservoirs,

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We've Seen This Movie Before

Consider a story about collapse of the real-estate markets that states: "Most of the millions piled up in paper profits had melted away, many of the millions sunk in developments had been sunk for good and all, the vast inverted pyramid of credit had toppled to earth, and the lesson of the economic falsity of a scheme of land values based upon grandiose plans, preposterous expectations, and hot air had been taught in a long agony of deflation."

A story written in 2008? No, an extract from Frederick Lewis Allen's 1931 book *Only Yesterday*. The real-estate boom and bust we are now experiencing had a spectacular predecessor during the 1920s and 1930s. History may not repeat itself exactly, but episodes composed of speculative mania, construction boom, financial misfeasance and malfeasance, and expansive monetary policy do recur from time to time.

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The \$9,800 Vote!

The July 22, 2008 Placer County Supervisors Tahoe meeting displayed melodrama of corruption, vote-buying and Chicago back-room politics.

The issue lighting this fuse was a 3 lane vs. 4 lane decision for Highway 28 at Kings Beach. Supervisors Kranz and Uhler supported the 4 lane plan, advocated by CalTrans, CHP, Sheriffs of Placer and Douglas Counties and the local fire department.

Supervisors Holmes, Weygant and Rockholm favored a 3 lane plan with traffic circles (roundabouts) with no street parking and \$20 million earmarked for off-street parking. This despite opposition by the forementioned traffic mentors, who are public safety concerned.

Rocky, absent in Utah, would result in a stalemate vote. The plotters arranged for CEOs office to charter a jet

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A New Government Entity

On September 8, the Auburn City Council created a new bureaucracy, exactly what the Auburn taxpayers need, **instead of additional police protection, more fire protection and streets without bumps and potholes**. The new entity is the City of Auburn Financing Authority, purportedly established to purchase and sell Auburn Urban Development Authority bonds through a negotiated sale instead of at a public auction. City officials claim, "it appears to be advisable to sell the bonds at negotiated sale." However, the public has not yet been advised which underwriter will benefit by a negotiated sale.

Auburn taxpayers are now blessed with a convoluted arrangement in which members of the Auburn City Council interact with members of the Auburn Urban Development Authority to set policies in the Auburn Redevelopment Area and both members of the Auburn City Council and

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