

The adjustment of lot lines in Scotia (which obviously has no potential to impact Rio Dell in any way) is intended to facilitate two important goals:

- First, transfer of the operating Scotia sawmill facilities and certain Scotia timberlands to HRC -- in keeping with the terms of the court-ordered Plan of Reorganization which concluded the PALCO bankruptcy -- and
- Second, transfer the Scotia wood-waste-fired electrical cogeneration power plant (cogen) to an independent power producer committed to investing in renewable and highly efficient power and steam production plants, like the one in Scotia. The cogen plant transfer will create much-needed new jobs in Scotia, as the plant will be modernized, upgraded and improved, increasing efficiency and capacity for wood waste recycling.

Very much like the investment and economic development planned in connection with Scotia's civic infrastructure upgrades -- to begin once LAFCO approves the formation of the Community Services District -- the new cogen operator intends to make long term investments which will assure the commercial viability of the Scotia cogen facility for decades into the future. The improvements at the cogen plant will require some two years of construction, and could promptly provide many new full time jobs, for both skilled trades and general laborers.

Rio Dell managers' unilateral interference and deliberate delay of these beneficial projects has been deeply disappointing to the people and the Town of Scotia. With this latest decision by the County - - approving the lot line adjustment over the RD city manager's protest -- it is again apparent how little support there is for such unsubstantiated manipulation and obstruction.

Between the economic diversification and investment now taking place in Scotia, and the promise of self determination and integrity possible through an independent, locally controlled Scotia Community Services District, we are getting very close to preserving all that is unique and treasured in and about this remarkable, historic community.

Rio Dell's unilateral efforts to annex Scotia have been unwelcome and unproductive: The majority of Scotia residents have signed petitions opposing annexation. The city's managers' efforts to delay proceedings and to stifle economic development in Scotia have been blatantly calculated -- in hopes that such tactics will force the Town of Scotia to acquiesce to a takeover by the city.

But these efforts are just that -- simply and transparently *tactics* -- intended to advance the city's managers' goal to capture Scotia residents, businesses and industry as a *colony of rate payers* to help Rio Dell pay for repair and replacement of its own aging infrastructure, at a time when the city has vastly outspent its revenues, drawn down its reserves, and has oversold and under budgeted massive projects and improvements it cannot now afford.

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