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FOR IMMEDIATE RELEASE:

Auburn - Directors of the Placer County Water Agency on Thursday (Jan. 2) agreed to sell up to 20,000 acre-feet of surplus surface water this year to the Metropolitan Water District (MWD) of Southern California.

Under terms of the draft agreement, MWD would pay the water agency a non-refundable \$200,000 for an option to buy the water, share in costs of the transfer and then pay \$90 per acre-foot for the water. The transfer could earn PCWA up to \$2 million.

The State of California is facing cutbacks in existing surface water deliveries from the Colorado River. This has a direct impact on water availability throughout the State. MWD is seeking short-term assurances that water will be available for its member public agencies in Los Angeles, San Diego, Orange, Ventura, Riverside and San Bernardino counties. MWD has been seeking purchases of water from irrigation districts and water agencies in northern California. PCWA is among those approached by MWD to participate in a one-year water sale.

PCWA officials said that water could be available from PCWA's Middle Fork American River Project and would have no adverse effect on water supplies to existing PCWA customers if a MWD water sale occurs.

General Manager David Breninger said the agency has a long history of one-year water sales but only when the water is surplus to local needs. He said that the MWD sale would be for one year only and that the agency would give up no rights.

Breninger stated that most of the revenue generated by the transfer could be set

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aside by the Board as the agency has done with previous sales. That is, the majority of the revenues are allocated to the agency's fund to pay for the agency's federal relicensing of the PCWA Middle Fork Project, a major multi-million dollar undertaking planned over the next decade. In addition, a smaller share could be allocated and used for the PCWA financial assistance project, a competitive grant program available to locate public water jurisdictions.

Before their unanimous vote, all five members of the PCWA board voiced support for the transfer. Directors said the one-time sale of surplus water would help others who are facing water shortages while generating important revenues for the agency.