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**Contact: David A. Breninger
(530) 823-4850
or: Dave Carter
(530) 265-NEWS**

FOR IMMEDIATE RELEASE:

Auburn - Officials of the Placer County Water Agency on Thursday (Aug. 5) expressed concern over increasing costs to the agency as the federal government falls behind schedule on construction of the American River Pump Station.

The pump station, a water supply priority of PCWA for more than 10 years, is under construction by the U.S. Bureau of Reclamation but has fallen four months behind schedule and funding for the second phase remains in question.

PCWA Director of Strategic Affairs Einar Maisch reported to the PCWA Board of Directors on Thursday (Aug. 5) that completion of the current \$31.7 million project has been set back from August 2005 to December 2005.

The first phase includes environmental studies, site preparation and construction of the pump station, which is designed to supply up to 35,500 acre-feet of water per year to meet growing demand in western Placer County.

The federal Bureau of Reclamation is now reviewing proposals for the project's second phase, which includes construction of a river intake, closure of the existing river tunnel, restoration of the river to its natural channel and recreation improvements. Funding for Phase 2 remains \$14.1 million short, Maisch said.

General Manager David Breninger expressed concern that federal funding for the project could be delayed and extended into the 2006 and 2007 fiscal years.

"Uncle Sam needs to make the people of Placer County whole," said Breninger, in reference to PCWA's former pump station which was removed in the 1970s to make way for an Auburn Dam that was never built.

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Options listed to deal with the delays and shortages were discussed, such as use of an existing temporary river diversion until the new intake can be completed, stepped-up efforts for federal funding, cutbacks on agricultural water use in Zone 5 and consideration of a moratorium on new service connections.

Directors took no action on the report but encouraged staff to continue its vigorous efforts with Bureau of Reclamation officials.

In other business, directors:

- approved environmental studies and a project to expand and upgrade the agency's Auburn Water Treatment Plant. The project will expand the plant's capacity from 6 to 8 million gallons per day (mgd), with ultimate capacity of 14 mgd, and is expected to take 18-24 months.

- agreed to consider a request by the City of Lincoln to provide water service to the Thunder Valley Casino, which is outside of city limits but in Lincoln's sphere of influence. The casino was developed using well water and is now seeking a surface water supply.

- agreed to supply up to 800 acre-feet of additional irrigation water this year to two large agricultural customers in Zone 5.

- heard a report from Director of Financial Services Joseph H. Parker on the impacts of the state budget process on PCWA. Parker said it appears that \$534,000 this year and \$586,000 next year in agency property taxes will be taken by the state to help balance the State's massive deficit.

The next regular meeting of the PCWA Board of Directors will be held on Aug. 19-20. The board will convene at 8:15 a.m. Thursday at the PCWA Business Center in Auburn, travel to the Middle Fork American River Project and spend the night at PCWA's dorm building at Hell Hole Reservoir.

It was also announced that PCWA will host a joint meeting with the Placer County Board of Supervisors at 2 p.m. on Tuesday, Sept. 7, at the PCWA Business Center. PCWA board meetings are open to the public.