



PLACER COUNTY WATER AGENCY
SINCE 1957
BUSINESS CENTER PHONE
144 Ferguson Road 530.823.4860
MAIL 530.823.4960 - fax
P.O. Box 6570 WWW.PCWA.NET
Auburn, CA 95604

NEWS RELEASE

FOR IMMEDIATE RELEASE:

August 13, 2009

Contact: David A. Breninger, (530) 823-4860

or: Dave Carter, (530) 265-NEWS

AUBURN -- In a strongly worded letter to a joint state senate and assembly committee, the Placer County Water Agency has voiced opposition to proposed state legislation that would adversely affect local, area-of-origin water rights and supplies, mandate reductions on local water use and impose new state-mandated costs on water users.

In an Aug. 11 letter to the joint committee, PCWA Board Chairman Gray Allen stated the agency's objection to a package of five bills set for hearing on August 18 at the Capitol.

Allen cites six broad principles advocated by PCWA in the letter. It was submitted to counter the latest effort by the State as it advances legislation with a dual goal to implement a multi-billion dollar plan to restore fish habitat in the Delta and to assure water supplies to 25 million Californians in the Bay Area and Southern California.

Allen states, "PCWA is unalterably opposed to legislation mandating taking Placer County's water supplies for export to and use by other areas of California. The people of Placer County have had to depend upon themselves to develop local Sierra surface water supplies since the 1850's and have been using it in an efficient and prudent manner. Other areas of the State have not properly planned the same way and are now seeking to legislatively take what is not theirs."

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The principles highlighted in the agency's letter are:

- 1) **PCWA opposes any legislation that reduces protection of the rights of counties and watersheds of origin to use their natural water resources to the extent needed for the present and future prosperity and economic well-being of their areas.**
- 2) **PCWA opposes any legislation that mandates any statewide limits on per capita water uses.**
- 3) **Exports of water from Placer County should be limited to the water that is surplus to Placer County's need.**
- 4) **PCWA opposes any legislation that imposes program costs or fees on those who do not benefit from them.**
- 5) **Legislation should be consistent with the State Water Plan and the Public Water Coalition of California report.**
- 6) **All water should be used efficiently.**

PCWA General Manager David A. Breninger said, "The agency has consistently expressed its concerns on onerous legislation proposing to strip water from the people, economy and ecosystem of Placer County for the purpose to benefit other areas of the State."

He added, "Taken together, if the package of five bills is enacted, it would, among other things, mandate 20 percent water use reduction in Placer County in order to make that water available to those elsewhere who have outpaced their water supplies and in so doing have also altered the Delta's ecosystem. Such a mandated extraction of Placer County's water resources is ill-advised public policy, is no way to attain efficient or wise use of water and is opposed by PCWA."

The agency letter is directed to Chair Fran Pavley and members of the Senate Natural Resources and Water Committee and to Chair Jared Huffman and members of the Assembly Committee on Water, Parks & Wildlife. Copies of the letter were also sent to local state senators, assembly members, local government officials and associations.

The five bill package has recently been renumbered for the joint committee and is marked as pre-print bills AB 1, AB 2, SB 1, SB 2, and SB 3.

Breninger said PCWA will attend the Aug. 18 committee hearing when the bill package is considered by the joint committee.

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NOTE: Attached is a copy of PCWA letter dated August 11, 2009, signed by the Board Chair.



Gray Allen, District 1 144 Ferguson Road

Alex Ferreira, District 2 MAIL

Lowell Jarvis, District 3 P.O. Box 6570

Mike Lee, District 4 Auburn, CA 95604

Ben Mavy, District 5 PHONE

David Breninger, General Manager 530.823.4850

Ed Tiedemann, General Counsel 800.464.0030

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August 11, 2009

Senator Fran Pavley, Chair
and Members of the Senate
Natural Resources and
Water Committee
State Capitol, Room 4035
Sacramento CA 94248-0001

Assembly Member Jared Huffman, Chair
and Members of the Assembly Committee
on Water, Parks & Wildlife
State Capitol, Room 3120
Sacramento CA 94248-0001

Re: Legislative Water Package—Preprint bills: AB 1, AB 2, SB 1, SB 2, and SB 3

Greetings:

The Placer County Water Agency (PCWA) has been closely following the various bills related to water and the Delta, which have been combined for your joint Committee hearing and are currently marked as preprint bills AB 1, AB 2, SB 1, SB 2, and SB 3. (We have also followed SB 261, which is related but was not included with these five bills being considered by your Committees.)

The bills before you are contradictory and overlapping. Rather than go through them in detail, it is our objective to set forth to you the principles that PCWA continues to advocate be followed in any water and Delta related legislation.

1. PCWA opposes any legislation that reduces protection of the rights of counties and watersheds of origin to use their natural water resources to the extent needed for the present and future prosperity and economic well-being of their areas. Any such reductions would violate the principles of the area of origin and watershed protection laws (Water Code Sections 10505 and 11460). Those provisions were put into law to protect those regions of California, such as Placer County, from having their water taken away by more populous and politically powerful regions. Those laws are intended to provide the areas of origin with the right to enjoy the economic prosperity of their own natural resources.

Both Senator Simitian's Preprint Senate Bill No. 1 and Assembly Member Huffman's Preprint Assembly Bill No. 1 expressly provide that their new Division 35 to the Water Code does not "diminish, impair or otherwise affect any area of origin, watershed of origin, county of origin or any other water rights protections provided under law." Unfortunately, other provisions in these and other bills that you are considering do not follow these principles. Arbitrary mandated reductions of 20% of water use, in regions of the state that have no water shortage and use water reasonably, in order to provide, without compensation, water for other regions of the state can only be viewed as a violation of the area of origin guarantees.

2. PCWA opposes any legislation that mandates any state-wide limits on per capita water uses. Imposition of any such state-wide mandates is inconsistent with area of origin protections. In addition, any such mandates that are inconsistent with locally developed plans and uses will surely result in the contraction of regional cooperation. They will force local water purveyors to reevaluate their positions and develop strategies to combat such mandates. Regional and state-wide cooperation can only exist when participants are certain that such cooperation will not expose them to increased risks to their own water supply security. Regional security and local control have long been guiding principles for the Sacramento Water Forum and the Association of California Water Agencies (ACWA). These principles should not be undermined for the sake of political theatrics by the Governor or the Legislature.

3. Exports of water from Placer County should be limited to the water that is surplus to Placer County's need. In those years when PCWA's Middle Fork Project has had water in excess of Placer County's needs and other areas have needed water, PCWA has readily made that water available to willing purchasers. We will continue to do this, but the Legislature should not enact any legislation removing local controls over locally developed water supplies. PCWA's water supplies have been developed with considerable foresight and expense, relying on the availability of the water supplies thereby created. Those supplies should not be unilaterally and involuntarily reallocated to downstream users.

4. PCWA opposes any legislation that imposes program costs or fees on those who do not benefit from them. The principle of "beneficiary pays" has been a cornerstone of programs that deal with Bay-Delta problems since the inception of the CALFED program. Senator Simitian's Preprint Senate Bill No. 1 expressly adopts the principle. However, that bill would also impose an annual fee on all water right holders who divert water from the Delta watershed, regardless of whether they would benefit from Delta programs. This type of redirected impact is inconsistent with the beneficiary pays principle and is unacceptable to PCWA. While the bill provides that the fees would be imposed "in reasonable relationship to the damage caused by that person's diversion," it provides no mechanism for determining whether any given diversion has caused damage. PCWA opposes imposition of remedial costs without notice and a hearing consistent with due process.

5. Any legislation you consider should be consistent with the State Water Plan and the Public Water Coalition of California report. The State Water Plan encourages local regions and watersheds to work together to develop and use their local water resources, including surface resources, groundwater and recycled water, in locally sustainable and environmentally acceptable ways. PCWA has done and is doing exactly that. It developed its Middle Fork American River project to meet the water needs of western Placer County in a responsible, reliable and environmentally prudent manner.

The Public Water Coalition comments are an appropriate and balanced statement of support for the work of the Delta Vision Committee.

6. All water should be used efficiently. PCWA has consistently throughout its existence promoted water use efficiency. All of its water delivery systems are metered. Any legislation should recognize that a "one size fits all approach" is not reasonable or practical for regulating urban water use throughout California. Further, requiring a uniform reduction of 20% by all water suppliers will have the unfair result of penalizing suppliers (and their customers) whose demand has "hardened" as a result of prior water conservation efforts.

August 11, 2009

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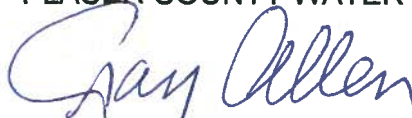
We have previously set forth these principles clearly and succinctly in the two attached letters. The first is the May 21, 2009 letter to Assembly members Feuer and Huffman, and the second is our July 2, 2009 letter to our local legislators, Senators Aanestad and Cox, and Assembly members Gaines and Logue. As emphasized in those letters, and as we repeat here, PCWA is unalterably opposed to legislation taking Placer County's water for export to other areas.

Placer County has developed, at no cost to others, its water for its lands and inhabitants for their efficient, prudent use. You should encourage local governments to do this. Mandating percentage reductions of 20%, or any other amount, in local uses so that water from areas of origin can be exported to other areas against the will of those that developed the water and without compensating them is bad legislation. It will not encourage efficient, wise use of California's water resources. Do not support such legislation.

Thank you for considering the interests of PCWA. Should you have need for further information or have any questions on this, please contact the Agency's General Counsel Ed Tiedemann at (916) 321-4500 or Agency General Manager David Breninger at (530) 823-4860.

Sincerely,

PLACER COUNTY WATER AGENCY



Gray Allen, Chairman
Board of Directors

GLA/EJT/cs

c: Senator Sam Aanestad
Senator Dave Cox
Assemblyman Ted Gaines
Assemblyman Dan Logue
Assemblyman Roger Niello
County of Placer Board of Supervisors
City and Town Councils of Auburn, Colfax, Lincoln, Loomis, Rocklin, Roseville
Water Districts in Placer County
Association of California Water Agencies
California Special Districts Association
California Municipal Utilities Association
Mountain Counties Water Resources Association
Northern California Water Association
Regional Council of Rural Counties
Regional Water Authority
Sacramento Water Forum
Sierra Nevada Conservancy
C.A.B.Y. Integrated Regional Water Management Plan



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Gray Allen, District 1 144 Ferguson Road
Alex Ferreira, District 2 MAIL
Lowell Jarvis, District 3 P.O. Box 6570
Mike Lee, District 4 Auburn, CA 95604
Ben Mavy, District 5 PHONE
530.823.4850
800.464.0030
David Breninger, General Manager
Ed Tiedemann, General Counsel
WWW.PCWA.NET

May 21, 2009

The Honorable Mike Feuer
California State Assembly
State Capitol, Room 3146
Sacramento, CA 95814

The Honorable Jared Huffman
California State Assembly
State Capitol, Room 3120
Sacramento, CA 95814

Re: Oppose AB 49

Dear Assembly Members Feuer and Huffman:

The Placer County Water Agency is in opposition to AB 49. The Agency is opposed to this "one size fits all approach" to urban water use. By requiring every urban water supplier to reduce its per capita use by 20% by 2020 regardless of how frugal it has been is not a fair and equitable imposition on PCWA or our customers. Placer County Water Agency has fully metered water systems, a multi-tiered inclining rate structure and uses many alternatives to assist customers in using less water. PCWA should not have to reduce per capita uses by the same percentage as others who have less efficient non-metered water systems. Our customers put water to reasonable and beneficial use and do not use water inefficiently. The Agency is opposed to the State attempting to mandate yet another program or provision and especially across the board uniform per capita reductions, such as those proposed in AB 49. This is viewed as a "water grab" such that a portion of our locally developed water resources end up being transferred to other areas in the state that do not use water as efficiently as our customers.

Sincerely,

PLACER COUNTY WATER AGENCY


Graham Allen
Chairman, Board of Directors

DAB/cs

c: Senator Sam Aanestad
Senator Dave Cox
Assemblyman Ted Gaines
Assemblyman Dan Logue
Assemblyman Roger Niello
County of Placer Board of Supervisors
Cities of Auburn, Colfax, Lincoln, Loomis, Rocklin, Roseville
Water Districts in Placer County
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California Municipal Utilities Association
Regional Council of Rural Counties
Regional Water Authority



PCWA
water • energy • stewardship

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July 2, 2009
File No. 100-14, 102-2

The Honorable Sam Aanestad
State Capitol
Room 3063
Sacramento, CA 95814

The Honorable Dave Cox
State Capitol
Room 2068
Sacramento, CA 95814

Assemblyman Ted Gaines
State Capitol
Room 2002
Sacramento, CA 95814

Assemblyman Dan Logue
State Capitol
Room 6027
Sacramento, CA 95814

Re: Assembly Bill No. 49 and Senate Bill No. 261

Dear Senators Aanestad and Cox:

Dear Assembly Members Gaines and Logue:

Placer County Water Agency ("PCWA") is a signatory of the Sacramento Area Water Forum Agreement. This is an agreement between the major water purveyors, environmental interests, the land use jurisdictions, and business and agricultural leaders in Sacramento, Placer and El Dorado Counties. It provides a framework for the present and future use of the water supplies originating in this area for the region's economic development and planned growth, while at the same time preserving the region's aquatic environmental and recreational resources. In fulfillment of its commitment to the Water Forum, PCWA is a member of the California Urban Water Conservation Council ("CUWCC") and has implemented all of the recommended Best Management Practices ("BMPs") in its effort to maximize its water use efficiency.

While PCWA, like most water suppliers of the Sacramento region, has developed adequate amounts of its area of origin water supplies to meet its need in a manner that protects the environment, some other areas in the state are not as fortunate. This has prompted some of the leaders in those areas to advocate legislation mandating reductions in urban water uses throughout the state; PCWA opposes the imposition of such mandates on our area.

Specifically, we oppose Assembly Bill No. 49. Its provisions are inconsistent and confusing. While in its opening general declaration and policy provisions it appears to recognize that "differences in weather, historical patterns of urban and suburban development and density of housing in a particular location need to be considered when assessing per capita water use as a measure of efficiency," later language ignores that declaration of policy. Then Section 10608.8 says

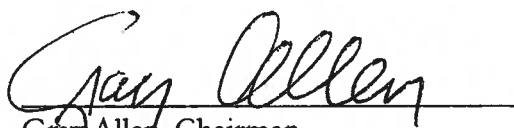
July 2, 2009

that it does not require a reduction in total water used in agricultural or urban sectors and that the bill does not intend to limit the economic productivity of California's agricultural, commercial and industrial sectors. However, later language goes on to mandate practices inconsistent with those statements. Section 10608.20 states that each urban retail water supplier shall develop water use targets that would require PCWA to reduce its urban water retail use by 20%, and reduce commercial, industrial and institutional uses by 10% by 2015. Such mandated reductions may force industrial, commercial and institutional users to relocate outside of Placer County and possibly outside of California.

PCWA and the other Water Forum members have a sustainable water use and environmental protection plan for our region. We urge your opposition to AB 49. SB 261 was amended on June 29, 2009. However it does not reflect the Association of California Water Agencies' ("ACWA's") Water Conservation and Water Use Efficiency Policy Principles, which do not require mandatory per capita water use limits. Unless further amended to reflect those policy principles, we urge you to oppose it also.

Sincerely,

PLACER COUNTY WATER AGENCY



Gray Allen, Chairman
Board of Directors

cc: Tom Gohring, Executive Director of the Water Forum Successor Effort
Placer County Board of Supervisors
Tom Miller, Placer County Executive Officer
Patrick Luzuriaga, Executive Director, MCWRA
Greg Norton, Executive Director, RCRC
Neil McCormick, Executive Director, California Special District Association
Ron Stork, Friends of the River
Terry Davis, Sierra Club
Jim Jones, SARA
Jim Peifer, City of Sacramento
Keith DeVore, County of Sacramento
Derrick Whitehead, City of Roseville
Shauna Lorange, San Juan Water District
Robert Roscoe, Sacramento Suburban Water District
Ken Payne, City of Folsom
John Woodling, Regional Water Authority
Sacramento Metropolitan Chamber of Commerce
Tim Quinn, ACWA
Jerry Jordan, CMUA