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NEWS RELEASE

FOR IMMEDIATE RELEASE:

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AUBURN -- The Placer County Water Agency is preparing a Draft License Application for submittal to the Federal Energy Regulatory Commission (FERC) for renewal of its license for the PCWA Middle Fork American River Hydroelectric Project.

The water agency built the project under a federal license issued in 1963. With the original 50-year license set to expire in 2013, PCWA began preparing for relicensing the project ten years ago.

The latest in a series of relicensing progress reports was presented to the PCWA Board of Directors on Thursday (Aug. 19) by members of the agency's relicensing team.

Director of Strategic Affairs Einar Maisch said the draft application would be ready for board approval on Sept. 16 for submittal to FERC by Oct. 1. Following a review and comment period the next step in the process for PCWA is to submit a final license application to FERC in February 2011. FERC will then conduct a two year review process with an anticipated new license to be issued to PCWA by February 2013.

The three primary goals of PCWA are the successful:

- 1) Acquisition of a new renewed long-term FERC license.
- 2) Retention of the project's flexibility to meet agency water supply needs and efficiently produce electrical energy.
- 3) Retention of the project's overall benefits for current and future generations of Placer County residents.

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Maisch said, "The draft license application has been developed through the building of relationships and collaboration with numerous governmental, as well as non-governmental agencies, stakeholder groups, Native American tribes and the public."

The relicensing process has included 28 technical studies. The studies have assessed stream flows, aquatic ecosystems, terrestrial species, habitat on small and large streams and reservoirs, recreation, sediment, vegetation, transportation management and cultural resources.

Maisch said the draft license proposal would retain PCWA's ability to store and use 120,000 acre-feet of water annually. He said the project's five powerhouses currently generate an average 1 million megawatt hours of energy per year that could be reduced by a new license in order to meet instream ecosystem needs by approximately 4.8 percent.

PCWA General Manager David Breninger said, "The agency has built a solid foundation for a new FERC license based upon our proven results to design, build, operate, maintain and manage the project for nearly 50 years here in our county's area-of-origin American River watershed. Over the many decades, we've served as excellent stewards of both the watershed and the many assets of our project." He added, "We're looking forward to sustaining that legacy while expanding the benefits and opportunities that can be derived from the project once we have secured a new license and entered into a new power sales agreement."

In other business, PCWA directors:

- heard an update from Assistant General Manager and Director of Administrative Services Valerie Lord on recent state legislation to address the compensation extravagances by the City of Bell in Los Angeles County. She reported that the focus of the bills is to assure public access to salary and benefits information. In comparison to jurisdictions such as Bell, she said, "PCWA's employee salary schedules, benefits and

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compensation information are readily available on the agency's website (www.pcwa.net)." She added, "Requests for such information is welcomed by the agency staff as PCWA has a long-standing practice to provide transparency for accessing public information."

- heard an update from legal adviser Janet Goldsmith on a recent water right application by the El Dorado County Water & Power Authority. Goldsmith said the right, if granted, would not directly affect PCWA but could have impacts at Folsom Reservoir and below. She advised the agency to keep track of the proposal.

- agreed to review agency policy on collection of long-term delinquent accounts in foreclosure after a real estate broker who specializes in representing the sale of foreclosure properties spoke of concerns for reactivating water service to parcels coming out of a foreclosure sale.

- heard an update from Director of Customer Services John Kingsbury, who is heading PCWA's effort to gain more northern California representation on the California Urban Water Conservation Council which establishes statewide water use best management practices goals.

- Set two additional Board meetings for 2010: An evening Board meeting for 6 p.m. on Tuesday, Sept. 7, at the Colfax City Hall to consider Zone 3 water issues. A morning Board meeting scheduled for Thursday, Oct. 7, at Tahoe City, PUD to consider eastern Placer County water issues.

The next regular meeting of the PCWA Board of Directors will be held at 2 p.m. on Thursday, Sept. 2, at the PCWA Business Center, 144 Ferguson Road, in Auburn. PCWA board meetings are open to the public.

Information on PCWA board meetings may be obtained through the Clerk to the Board at (530) 823-4850 or (800) 464-0030.