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NEWS RELEASE

FOR IMMEDIATE RELEASE:

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AUBURN-- The Placer County Water Agency may be in line to reclaim more than \$600,000 in land use fees it paid to the Federal Energy Regulatory Commission (FERC) in 2009, it was reported at Thursday's (Jan. 6) meeting of the PCWA Board of Directors.

The announcement followed a federal appeals court ruling involving the El Dorado Irrigation District (EID), Sacramento Municipal Utility District (SMUD) and other agencies that had appealed the process by which FERC establishes fees for agencies using federal land to produce hydroelectric power.

The appeals court ruled that the FERC did not use a formal public notice and comment process through which local agencies would have been made aware in advance of the fee increases.

PCWA also appealed the increases, but on different grounds, and its separate appeal has been pending, said Director of Strategic Affairs Einar Maisch. "The result of this decision will be a rollback of the FERC land use fees, which will render PCWA's appeal moot," said Maisch, who suggested the federal agency will probably establish a new rulemaking process and continue to pursue higher fees.

The issue arose after the FERC raised the land use fees it charges to PCWA from \$287,000 in 2008 to \$880,000 in 2009. Maisch said the agency hasn't been billed for 2010 but that those fees are estimated at \$1.1 million.

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The board of directors authorized letters to U.S. Senator Dianne Feinstein and U.S. Rep. Tom McClintock to thank them for their support of the agency in its appeal process.

In other business, PCWA directors:

- heard storm damage reports from Director of Technical Services Brian Martin and Power System Manager Steve Jones. Martin said peak river flows Dec. 19 caused erosion and damage to safety railings at the American River Pump Station but did not affect operations. Jones said five power poles broke and fell on a steep, snowbound hillside above French Meadows Reservoir on Dec. 29. Repairs were in progress and expected to be complete Thursday (Jan. 6), he said.

- noted that in accordance with the agency's existing policy, at the beginning of the year the Water Connection Charge (WCC) increased 4.1 percent based on the year-to-year change in the appropriate Engineering News Record Construction Cost Index.

- congratulated Don Kellner, a 25-year agency employee, on his promotion to Deputy Director of Field Services. Kellner, who has held previous positions in field services and treated water distribution, succeeds longtime agency employee Rick Allan, who retired.

- nominated District 1 Director Gray Allen, of Roseville, for election as a special districts representative to the Placer County Local Agency Formation Commission (LAFCO). Directors said PCWA is a major financial contributor to LAFCO and should maintain a voice in its affairs.

The next regular meeting of the PCWA Board of Directors will be held at 2 p.m. on Thursday, Jan. 20, at the PCWA Business Center, 144 Ferguson Road, in Auburn.

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