



SOUTH FEATHER WATER & POWER AGENCY

AGENDA

**Regular Meeting of the Board of Directors
South Feather Water & Power Agency
Board Room, 2310 Oro-Quincy Highway, Oroville, California
Tuesday; March 23, 2010; 2:00 P.M.**

A. Pledge of Allegiance

B. Roll Call

C. Approval of Minutes – Regular Meeting on February 23, 2010 (Tab 1)
Special Meeting on March 8, 2010

D. Approval of Warrants (Tab 2)

E. Public Participation

Individuals will be given an opportunity to address the Board regarding matters within the Agency's jurisdiction that are not scheduled on the agenda, although the Board cannot take action on any matter not on the agenda. Comments will be limited to 5 minutes per speaker. An opportunity for comments on agenda items will be provided at the time they are discussed by the Board. Comments will be limited to 5 minutes per speaker per agenda item.

F. Staff Reports (Tab 3)

G. Directors' Reports

Directors may make brief announcements or reports for the purpose of providing information to the public or staff, or to schedule a matter for a future meeting. The Board cannot take action on any matter not on the agenda and will refrain from entering into discussion that would constitute action, direction or policy, until such time as the matter is placed on the agenda of a properly publicized and convened Board meeting.

H. Business –

Conveyance of Right of Way – Portion of APN 072-050-002 & 004 (Tab 4)
Action to convey a portion of Agency land to facilitate CalTrans' plans to widen Olive Highway (SR 162) in the vicinity of Miners Ranch Reservoir.

Ten-Year Strategic Financial Plan (Tab 5)
Action to conceptually approve the Finance Committee-recommended ten-year strategic financial plan.

Closed Session. Conference With Real Property Negotiator. Government Code §54956.8. (Tab 6)
Property: Surplus water.
Agency Negotiator: Michael Glaze, General Manager. Negotiating Party: San Diego County Water Authority.
Under Negotiation: Refill requirements and conditions for transfer.

Closed Session. Conference with Legal Counsel – Anticipated Litigation. (Tab 7)
Government Code §54956.9. One potential case.

I. Adjournment

**MINUTES of the REGULAR MEETING of the BOARD of DIRECTORS of
SOUTH FEATHER WATER & POWER AGENCY**

Tuesday, February 23, 2010, 2:00 P.M.,
Agency Board Room, 2310 Oro-Quincy Hwy. Oroville, California

DIRECTORS PRESENT: Lou Cecchi, Jim Edwards, Dee Hunter, Lou Lodigiani, and Dennis Moreland.

STAFF PRESENT: Steve Wong, Finance Division Manager;
Art Martinez, Information Systems Manager;
Kathy Zancanella, Power Division Manager;
Matt Colwell, Water Division Manager;
Jeffrey Meith, Legal Counsel;
Michael Glaze, General Manager.

OTHERS PRESENT: Hank Bailey and Jean Brown.

CALL TO ORDER

President Cecchi called the meeting to order at 2:00 p.m. and led the Pledge of Allegiance.

APPROVAL OF MINUTES

M/S/C (Hunter/Edwards) approving the Minutes of the regular monthly meeting of January 26, 2010, and the special meeting of February 5, 2010.

APPROVAL OF WARRANTS

M/S/C (Edwards/Hunter) approving the total Water Division expenditures for the month of January 2010 in the amount of \$347,205.57 – Warrants #25010 through #25031, #25073 through #25100, and #25110 through #25153; and, the total Power Division expenditures for the month of January 2010 in the amount of \$514,330.61 – Warrants #66063 through #66065, #66094 through #66118, and #66124 through #66168.

PUBLIC PARTICIPATION – Hank Bailey's question about treatment process filter media was answered.

LEGAL COUNSEL'S REPORT

Directors reviewed documents provided by Jeff Meith's office regarding current issues: an ACWA Legislative Committee Update; and, an order from the State Water Resources Control Board (SWRCB) denying the Agency's petition for reconsideration of SWRCB's water rights fees..

POWER DIVISION MANAGER'S REPORT

The Board reviewed a written report from Kathy Zancanella, Power Division Manager, including storage, generation and precipitation statistics through December. While the February snow survey showed above-average water content for this time of year, the Department of Water Resource's Bulletin 120 indicates that runoff expectations are currently 87% of average.

Maintenance Projects

Winter Outages

The Forbestown Powerhouse outage, which lasted February 1–12, went smoothly and the unit was released back to PG&E operations a couple hours early. More sediment than usual was found when the cooling water pit was cleaned out; this was due to the movement of material from Forbestown Diversion impoundment through the tunnel after last year's dredging operation and cleaning of the intake. This was expected, and future sediment movement should be less. The runner showed some signs of minor pitting and when the powerhouse is shutdown for a longer period next year the crew will make repairs. The Sly Creek annual outage will start on March 1.

Forbestown TSV

The turbine shutoff valve (TSV) at Forbestown powerhouse developed severe leakage over time and PG&E agreed it should be replaced. The replacement project was originally planned for completion this year, but delays in engineering and production of the valve and its controller

meant that the valve would not arrive in the US until April or May, too late to install before the summer, as the powerhouse will need to be shut down for six weeks to complete the installation. Therefore, PG&E agreed with SFWPA that this work will be deferred until January/February 2011. The valve is being built in Germany, and the factory reps have supplied photos of the progress. Factory testing of the valve will be done the week of March 22, and discussions are ongoing with PG&E regarding whether someone from South Feather should go to observe the testing and learn about operation and maintenance of the valve before it is shipped and installed next year.

Sly Creek Dam Crest Modification Project

The crest modification project has generated quite a bit of interest among California construction companies and 15 firms have signed Non-disclosure Agreements in order to receive the bid package. A pre-bid meeting was held on February 12 and was very well attended, with many firms bringing two or three representatives. After meeting at the Oroville office, the group traveled to the dam to ask further questions on-site.

The bid-due date is February 26. A Special Board Meeting was called for Monday, March 8, 2010, at 2:00 p.m. for review and approval consideration of the contract.

After award of the contract, the next activity will be a Potential Failure Modes Analysis session and development of a Temporary Construction Emergency Action Plan. This will take place on March 11 and will include the Independent Consultant, Facilitator, FERC, DSOD, AECOM and a representative of the selected contractor.

Communications Projects

Brian Howerton and Art Martinez will be involved in a number of significant projects this year as several aspects of the Power Division communications and information systems will be upgraded. Two projects were kicked-off the week of February 8.

Consultant Mark Heggli met with staff February 9 to review the plans for gauging station upgrades to the GOES satellite system. The necessary equipment has been identified and will be ordered in early March, and installation will begin at the beginning of July, with a projected completion date of October 1.

PG&E's microwave project team met with staff February 11 to kick off the engineering for the replacement of the four powerhouse microwave paths. These paths are being converted from analog to digital equipment.

Art and Brian are also working on installing a phone system with recording capability and installing a data processing gateway that will allow direct communication between the powerhouse meters and the ISO. Once the other work is done, Brian will be working with PG&E consultants to switch the SCADA system to a new software platform.

Miners Ranch Canal Access Road

Cotton Shires and Associates produced a project scope proposal for the second phase of work associated with repairs to the Miners Ranch Canal Access Road and Station 6 Sand Trap. In Phase 2, they propose large diameter exploratory borings to aid in interpretation of subsurface conditions and preparation of a Geotechnical Design Parameters Report. They will then develop the civil design drawings for the proposed repairs and produce specifications suitable for bid, permitting and construction purposes. Their original cost for this Phase 2 work was \$117,500; but after further discussions, the cost was reduced to \$100,000. As previously authorized, Mr. Glaze approved this subsequent phase of work.

General Information

WECC

The Western Electricity Coordinating Council, of which the Agency is a member, held a semi-annual Compliance User Group meeting in Salt Lake City February 2-4, which Mrs. Zancanella attended. This particular compliance organization only formalized mandatory compliance standards in 2007, and many of these standards are continuing to evolve through member input and feedback from the FERC. While many of the standards discussed at the meeting applied to electric transmission and distribution operating and control entities, there are enough standards applicable to generator owners and operators that necessitate the Agency being vigilant in

keeping up with the changes. The WECC has been granted authority by FERC to conduct audits and levy fines for non-compliance with the standards.

Climate Registry

The Agency has joined The Climate Registry, meeting another condition in the new PG&E contract. This means that beginning with 2010, emissions associated with power generation must be reported. While hydropower is generally considered a non-emitting form of energy, emissions associated with the fleet and other equipment will be tracked and reported by Scott Alcantara.

FINANCE DIVISION MANAGER'S REPORT

The Board reviewed a written report from Mr. Wong, including a breakdown of revenue and expenses for each of the irrigation system's components.

South Feather Relicensing Consulting Services

HDR Engineering, Inc. (HDR), consultant for the South Feather Power Project's relicensing, have submitted invoices and reports for the periods of November 22 through December 26, 2009 and December 27 through January 30, 2010 in the amounts of \$4,672 and \$8,032 respectively. The payments to HDR for their services, including these invoices, amount to \$5,060,379.

Banking Services

Up to this point, the Agency's Water Division and Power Division banking needs have been adequately served by Tri-Counties Bank and Bank of America, respectively. With the conclusion of the Agency's 50-year power-purchase agreement with PG&E coming to an end on June 30, 2010, it will no longer be necessary to maintain the separate accounts. In late December 2009, the seven banks with branches in Oroville were contacted and provided with a package setting forth the financial services currently utilized by South Feather. The banks were invited to review the material and submit a proposal for providing equivalent services to the Agency subsequent to June 30, 2010.

The banks all responded, some with detailed, competitive packages; and some, for various reasons, presented a more limited package or declined to submit at all. Following a review of the responses, it was decided that the Agency's banking services be consolidated at Tri-Counties Bank (TCB). TCB has been providing the Agency with quality service and accessibility to current technology in the governmental banking business at minimal cost. None of the other responding banks could provide the Agency with equivalent services at a lower cost.

Consolidating the bank accounts will save the Agency approximately \$2,000 - \$3,000 per year, results in potentially greater investment earnings, simplifies the deposit and payables processing, and increases cash-flow flexibility.

Disposition of Trucks

As noted last month, the Agency is looking to dispose of a number of vehicles. As a test and trial, T-75, a 2000 Ford Ranger, will be sent to an auction service based in Sacramento. This service specializes in the disposal of surplus government vehicles. Before the truck can be delivered, a smog check certification must be performed, which has been completed, and it is necessary to repair a door-locking mechanism. It is anticipated the other three surplus vehicles will be placed on Craigslist.com within the next week. The five day advertisement period makes the vehicles available in a silent bid process. At the conclusion of the five-day period, the highest, qualified bidder(s) will be notified.

Financial Planning

The General Manager is meeting with the management team reviewing revenue and expense projections and long-term financial scenarios. Directors reviewed a plan for funding "Other Post-Employment Benefits."

ACWA/JPIA Retrospective Premium Adjustment

The Agency has its property, liability and workers compensation insurance coverage through ACWA/JPIA. In (circa) 2000, the ACWA/JPIA established the Retrospective Premium Adjustment (RPA) Stabilization Fund to minimize fluctuations in member premiums. Beginning in 2008, the ACWA/JPIA began refunding monies in excess of RPA Stabilization Fund requirements and the Agency received an initial refund of just over \$15,000. The refund paid to the Agency last year

was approximately \$125,000. A refund in the amount of \$69,261 was received recently for 2010. It should be noted that each agency's balance is maintained and calculated separately each year.

2009 Annual Audit

Work in preparation for the 2009 annual audit is underway. Field work is scheduled for March 9–11, 2010. The audit is again being performed by Mann Urrutia Nelson, CPAs.

WATER DIVISION MANAGER’S REPORT

The Board reviewed a written report from Matt Colwell, Water Division Manager.

Water Distribution Operations

In addition to the normal service installations, leak repairs, and ditch maintenance, the distribution crews have continued to work on dismantling and minor additions in preparation for Filter #3 upgrade.

On February 11 the Agency received a call from Butte County Sheriff’s office at approximately 2:00 pm requesting the Bangor Canal be shut off and that the water be allowed to recede in order to investigate a discovered body. Directors were provided a copy of the newspaper article about the incident.

Missing man found dead in canal

Chico Enterprise-Record

Posted: 02/12/2010 12:50:18 AM PST

OROVILLE — The body of a 21-year-old Oroville man, whose relatives previously reported as missing, was discovered Thursday in a canal south of Miner’s Ranch Reservoir.

A resident discovered the body in the canal off the 5500 block of Old Olive Highway and phoned the Sheriff’s Office at 1:10 p.m., according to a department press release.

The body of Jesus Ventura Jr. was lying in the canal. On Tuesday, Ventura’s family reported him missing to Oroville police.

Ventura’s death is still under investigation. The Sheriff’s Office has no additional information at this time.

People with information are asked to call sheriff’s detective Patrick Martin, 538-7671.

The Irrigation system current releases are:	Forbestown Ditch	SF 14 = 0 cfs
		SFWPA = 0 cfs
		NYWD = 0 cfs
	Bangor Canal	SF 25 = 5 cfs
	Palermo Canal	= 0 cfs

The Palermo Canal is scheduled to be shut down January 26 through 29 to accommodate DWR’s utilization of a Remote Operated Vehicle to inspect the intake of the outlet works.

Water Treatment Operations

On February 12, Ray Bruun from California Department of Public Health toured the treated water facilities. The all-day annual inspection went very well and the resulting annual report is anticipated to be favorable regarding staffing, operations, and water quality, as in previous years.

At 73% of the recent five-year average, the total January water production for MRTP was representative of wet-month levels. The table at right shows the monthly minimum and maximum flow rates.

Solar Plant Production

The monthly MRTP power consumption exceeded the solar power production by 19,500 KWH during the month of January.

GENERAL MANAGER’S REPORT

The Board reviewed a written report from Michael Glaze, General Manager.

Relicensing

Patricia Nelson, HDR’s Manager of Environmental Services, has advised that the CEQA Initial-Study/Mitigated-Negative-Declaration documents, Notice of Intent, and Notice of Completion

forms were submitted to the State Clearinghouse on February 1st, which starts the public comment period on the Agency's Water Quality Certification process at the State Water Resources Control Board. The Notice of Intent was also made available to the Butte, Yuba and Plumas County clerks.

Interestingly, even though the DWR Oroville relicensing process started two years prior to the Agency's, DWR's Water Quality Certification is moving along in parallel with the Agency's.

Appointment of Hydrographer

The in-house recruitment process, in accordance with the Water Treatment and Distribution Employees Unit MOU, resulted in Eddie Paul being chosen for the new hydrographer position. Mr. Glaze explained that Eddie came to the Agency in January 2005, and has proven himself to be a valuable asset in all assignments he's been given. He described him as very mechanically minded – somewhat of a "jack of all trades" – and is well suited to be the Agency's first hydrographer.

Although the recruitment process has resulted in Eddie's selection for the position, his appointment will not be effective until July 12, 2010. In the meantime, however, in addition to his regular duties, he will begin receiving training and become involved with the team responsible for designing and installing the new gauging equipment.

Appointment of Information Services Specialist

At its December meeting, the Board approved a revision to an existing classification specification (position description) within the Clerical and Support Employees Unit (CSEU) to better fit present Agency needs regarding operation and maintenance of the geographical information system (GIS) database, and to provide Art Martinez assistance in the area of technical support and systems analysis.

The previously-named Information Systems Specialist (ISS) position was created in 2002 to provide IT assistance to Art, as well as to backfill the customer billing and accounting job duties that had been performed by retiring Ethel Scholey. The ISS position has remained vacant since 2006 and its billing/accounting responsibilities were spread amongst remaining clerical staff.

The Agency's GIS database and mapping functions have historically been the responsibility of the Assistant Engineer position, also in the CSEU, previously occupied by Christine Lewis, and then by Alex Brown after Mrs. Lewis moved out of the area. The Assistant Engineer position has been vacant since Mr. Brown was promoted to Regulatory Compliance Manager in August last year.

The staffing changes over the past three years have left two areas of responsibility unattended: GIS/mapping and IT assistance. Both of these areas are computer oriented and could be handled by one person with the appropriate training and experience. Modification of the ISS position description was done to facilitate recruitment of someone who could provide these needed services.

Christine Lewis, who previously worked for SFWPA as an Assistant Engineer, is now the lead trainer for a new Geospatial Workforce Training Program through the CSU, Chico Geographic Information Center (GIC). The Program is presently being offered at the Cleantech Innovation Center (old Spectra Physics Building near Oroville Airport). In conversations with Chris, she identified two "star" students that she thought would be suitable for our new ISS position. Both of them have IT backgrounds and are "very personable, smart, educated, employable ... well-rounded and can take on responsibility and grow a program."

Art Martinez, Matt Colwell and I interviewed both of Chris' students. Both were well suited for the job, but the decision was made to offer the position to Leroy Christophersen. Following is a summary of Mr. Christophersen's work experience extracted from his resume.

Computers For Classrooms – August 2009 to October 2009 - Volunteer
Chico Unified School District – June 2004 to June 2009 – Safety and Loss Control Coordinator
Bolin Construction Companies – April 2000 to June 2004 – Safety and Human Resource Manager
California State Automobile Association (CSAA) - 1988 to April 2000 – Computer Support, Learning Coordinator, Human Resource, Insurance Underwriting, Customer Service, Touring, Cashiering

He will begin work on Monday, March 1.

DIRECTORS’ REPORTS – None.

BOARD COMMITTEE APPOINTMENTS

Directors reviewed a memo from President Cecchi wherein he explained that Board policy (#240) specifies that the Board’s President will publicly announce standing committee assignments at the regular January board meeting (the annual Board reorganization occurred this year in January, delaying committee appointment by one month). The policy-prescribed standing committees are Budget and Finance, Community Relations, Personnel, Claims, Hydro, and Policy.

The Deferred Compensation (employee retirement program) Finance Committee is not prescribed in policy as a standing committee but continues on an as-needed basis year after year. The Agency’s deferred comp agreements specify the makeup of that committee as including employee and management representatives, together with one director. The purpose of the committee is to evaluate requests from employees for early disbursements of proceeds from their respective accounts, and meets very infrequently if not at all during the course of a given year (e.g., it was convened once in 2009).

In May 2005 the Board approved the agreement with Yuba County Water District (now North Yuba Water District) that contains provisions significantly altering the way the Forbestown Ditch will be operated, and the value of the water diverted to it, after this year. At its June 2005 meeting, the Board took action to postpone action on all requests for annexation involving Forbestown Ditch service “until the Board has established a strategic plan for implementing the provisions of the ’05 Agreement with Yuba County Water District.” Subsequently in that meeting, then-President Dee Hunter appointed Jim Edwards and Lou Cecchi to an ad hoc committee with staff to develop a Forbestown Ditch strategic plan for Board consideration. To date this committee has not met, primarily because it is waiting to develop a better understanding of the power-generating value that would be diverted to the Forbestown Ditch. Now that a valuation from consultants McDonald Partners is available, and an agreement for a future power-purchase agreement with PG&E has been approved, a meeting of this committee should be convened in the coming year to begin the planning process directed by the Board. Therefore, President Cecchi is continuing the formation of the Forbestown Ditch Strategic Planning Committee.

Directors reviewed the committee appointments President Cecchi made for 2010, as follows:

Budget and Finance Committee:	Director Jim Edwards, Chair President Lou Cecchi
Community Relations Committee:	Director Dennis Moreland, Chair Vice President Dee Hunter
Personnel Committee:	Vice President Dee Hunter, Chair Director Lou Lodigiani
Claims Committee:	Director Dennis Moreland, Chair Director Lou Lodigiani
Hydro Committee:	Director Jim Edwards, Chair President Lou Cecchi
Policy Committee:	Director Jim Edwards, Chair Vice President Dee Hunter
Deferred Compensation Finance Committee:	President Lou Cecchi Chair Steve Wong, Treasurer, Vice Chair Michael Glaze, General Manager Kathy Petersen, Power Division Manager Henry Reeson, Elect. Mach., Power Division Rick McCullough, Foreman, Water Division

AMENDMENT OF CONFLICT OF INTEREST POLICY (#120)

Chapter 7 of the Political Reform Act (Government Code §87000, *et seq*) deals with conflicts of interest and requires certain state and local officials and employees to fully disclose for public review their personal assets and income. Form 700, Statement of Economic Interests, is the prescribed format for said disclosures. Chapter 7 also requires every state and local government agency to adopt a unique conflict-of-interest code listing each position within the agency occupied by individuals who make or participate in making governmental decisions that could affect their personal economic interests.

South Feather Water and Power Agency adopted such a policy (General Policy #120) in 1991, and made necessary amendments thereto in 1995 and 1996.

Subsequent to the last amendment of Policy #120, two of the listed positions were eliminated, and several new positions were created that have responsibilities requiring decisions on behalf of the Agency that could potentially affect their personal economic interests.

Mr. Glaze recommended that the Board amend Policy #120, "Conflict of Interest," to reflect the elimination of the Business Manager and the Water Transmission and Distribution Superintendent positions, and to add the new positions whose responsibilities subject them to the requirements of the conflict-of-interest provisions of the Political Reform Act (Finance Division Manager, Manager of Information Systems, and Regulatory and Compliance Manager).

Directors reviewed his proposed amendments to Policy #120.

M/S/C (Edwards/Hunter) approving the amendments to Policy #120 as proposed by the General Manager.

COST-SHARING AGREEMENTS – PG&E

In 2004, in response to changes to the basic hydrologic criteria used in assessing Agency dams for compliance with Federal and State safety rules, the AECOM/DMJM Harris consulting team was retained by SFWPA to provide engineering investigation, analysis and design modifications to Sly Creek and Lost Creek dams. These are considered "high hazard" facilities under the governing criteria of both the California Division of Safety of Dams and FERC, requiring that they be evaluated for compliance with the guidelines when subjected to the probable maximum flood (PMF). The result of the initial assessment was the determination that both dams will require modifications in order to safely pass the anticipated PMF inflows.

In 2007, the consultants estimated the cost for the Lost Creek Dam crest modifications to be between \$12.5 and \$13.5 million. This project is scheduled for construction after 2010. However, the Sly Creek Dam crest modifications are scheduled for construction this year and the 2010 Power Division budget includes \$7,725,000 for this project.

Under the present contract with PG&E that expires on June 30, 2010, capital improvement projects such as these are 100% funded by PG&E. However, because construction of the first of the two will not be completed until after the present contract expires, and because the life expectancy of the completed projects is 70+ years beyond the end of the present contract, demanding that PG&E pay 100% of the cost would most likely be a futile exercise. Nevertheless, the Sly Creek project comes at a difficult time for SFWPA, just as it is beginning the new power-purchase contract with PG&E and before enough net revenue can be generated from the sale of power to cover project expenses.

Discussions have been ongoing with PG&E for about two years regarding this issue, and a tentative agreement has now been reached for funding both the Sly Creek Dam Crest Modification Project and the Lost Creek Dam Crest Modification Project. Directors reviewed the two agreements, which include the provision that PG&E will provide up-front funding for all of the project's costs, with SFWPA paying back its 60% share, plus interest, by July 31, 2015.

M/S/C (Hunter/Lodigiani) approving and authorizing the General Manager to execute the cost-sharing agreements with PG&E for the Sly Creek and the Lost Creek dam-crest modification projects.

ADJOURNMENT
President Cecchi adjourned the meeting at 2:59 p.m.

Michael C. Glaze, Secretary

Louis F. Cecchi, President

MINUTES of the SPECIAL MEETING of the BOARD of DIRECTORS of
SOUTH FEATHER WATER & POWER AGENCY

Monday, March 8, 2:00 P.M.,
Agency Board Room, 2310 Oro-Quincy Hwy. Oroville, California

DIRECTORS PRESENT: Lou Cecchi, Jim Edwards, Dee Hunter, Lou Lodigiani and Dennis Moreland.

STAFF PRESENT: Steve Wong, Finance Division Manager;
Kathy Zancanella, Power Division Manager;
Michael Glaze, General Manager.

OTHERS PRESENT: Dan Hunter, Tom Barnard (AECOM).

CALL TO ORDER

President Cecchi called the meeting to order at 2:00 p.m. and led the Pledge of Allegiance.

CONTRACT FOR SLY CREEK DAM CREST MODIFICATION PROJECT

Kathy Zancanella reported that invitations to bid on the Sly Creek Dam Crest Modification Project were sent to several companies on January 22, 2010. After signing Non-disclosure Agreements in order to receive the plans and specifications, and attending a mandatory pre-bid meeting, six firms submitted bids on the project on February 26, 2010. The bidders and their total bid amounts are:

Teichert Construction	\$ 3,996,401
Granite Construction Company	\$ 4,069,123
Syblon Reid	\$ 4,183,738
Ford Construction Co. Inc.	\$ 4,251,938
Ladd and Associates	\$ 4,899,316
ASI Constructors	\$ 5,490,396

Thomas Barnard, Vice President of AECOM Transportation and design/construction consultant for the Agency, summarized the contract documents and bidding process, and answered directors' questions regarding the construction project. He affirmed that the bidding process had been conducted appropriately, that the low bid, Teichert Construction, was a competent and qualified bidder, and recommended award of the contract to Teichert Construction.

M/S/C (Edwards/Hunter) approving, and authorizing the General Manager to execute, the contract documents for the Sly Creek Dam Crest Modification Project with A. Teichert & Son, doing business as Teichert Construction.

ADJOURNMENT

President Cecchi adjourned the meeting at 2:34 p.m.

Michael C. Glaze, Secretary

Louis F. Cecchi, President



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Steve Wong, Finance Division Manager

DATE: March 18, 2010

RE: Approval of Warrants
Agenda Item for 3/23/10 Board of Directors Meeting

February, 2010 Water Division expenses are summarized as follows:

Warrant Numbers: <u>25225</u> to <u>25272</u> ,	<u>\$ 60,604.85</u>
Misc. Checks: <u>25101</u> to <u>25109</u> ,	<u>\$ 132,391.40</u>
and <u>25154</u> to <u>25198</u> ,	
Payroll Expenses:	<u>\$ 203,202.15</u>

TOTAL WATER DIVISION EXPENDITURES FOR FEBRUARY 2010: \$ 396,198.40

February, 2010 Power Division expenses are summarized as follows:

Warrant Numbers: <u>66225</u> to <u>66263</u> ,	<u>\$ 157,400.65</u>
Misc. Checks: <u>66119</u> to <u>66123</u> ,	<u>\$ 3,383,132.33</u>
and <u>66169</u> to <u>66202</u> ,	
Payroll Expenses:	<u>\$ 181,295.26</u>

TOTAL POWER DIVISION EXPENDITURES FOR FEBRUARY 2010: \$ 3,721,828.24

Action to approve all expenditures:

"I move approval of the total Water Division expenditures for the month of February 2010 in the amount of \$396,198.40; and approval for the total Power Division expenditures for the month of February 2010 in the amount of \$3,721,828.24."

February 2010 Water Division Warrants				
Check	Vendor Name	Account	General Description	Amount
3/23/2010				
25225	A-1 Appliance	56-56100	Washer & Dryer for Water Division	\$ 616.97
25226	Accularm Security Systems	54-54104	Alarm Key Pad for MGT, ID2	\$ 205.68
25227	Advanced Document Concepts	50-50201	Copies and Service to 1/31/10	\$ 294.23
25228	All Metals Pipe & Supply	54-54295	Galv pipe & angle	\$ 39.77
25229	Aramark - Laundry	50-50201	Office Mat service, Coveralls	\$ 695.22
25230	Basic Laboratory	53-53204	Rainbow Trout Bioassay	\$ 341.00
25231	Better Deal Exchange	54-54295	Adapters, Pipe, Gaskets, Tape, Drill Bits	\$ 517.35
25232	Builders Supply	54-54295	Lumber, Lubricant	\$ 158.49
25233	Butte Auto Supply	56-56150	Hitch, Batteries, Oil, Antifreeze, Brake set	\$ 1,047.80
25234	C.O.M.P.	52-52226	Alcohol and Toxicity Testing	\$ 175.00
25235	CDW Government, Inc.	58-58100	Earloop Kits, Plantronics neckloop	\$ 41.01
25236	Chadbourne Office Supply	50-50106	Storage Boxes, Paper, Binders	\$ 1,274.51
25237	Comsco Inc.	56-56100	Paper Supplies	\$ 90.22
25238	CSG Systems	55-55102	February UB Billing Statements	\$ 3,708.09
25239	DLT Solutions	58-58225	AutoCad Civil 3D 2010 Subscriptions	\$ 984.29
25240	E & M Machinery, Inc.	58-58225	Wonderware Support Contract., expires 3/2/11	\$ 3,217.19
25241	Emprie Safety	52-52102	Safety glasses, Gloves, Earplugs	\$ 286.13
25242	Endeavor Homes Inc.	00-22300	Pressure Treated Fir	\$ 1,174.99
25243	FGL Environmental	53-53204	Feb coliform/fecal bacti test	\$ 25.00
25244	Groeniger & Co.	54-54104	PVC Pipe, Repair Kits	\$ 4,674.85
25245	Hancock's Automotive	56-56150	Smog Inspection, 4 vehicles	\$ 221.06
25246	HDR Engineering	00-11207	Relicensing Services thru 2/27/10	\$ 18,959.21
25247	Home Depot Credit Service	56-56100	Maintenance and Painting supplies	\$ 95.47
25248	Huntington's Sportsman	56-56100	Work Boots, 6 employees	\$ 957.65
25249	IDEXX Distribution Inc.	53-53260	Bacterial Testing supplies	\$ 850.64
25250	Industrial Power Products	56-56150	Carburetor, Gasket	\$ 112.33
25251	K-Gas, Inc.	56-56150	Propane, 2/3/10 delivery	\$ 28.29
25252	Lake Oroville Ace Hardware	53-53260	Valves, Adapters, Bushings, Coupler, Clamps	\$ 143.42
25253	Minasian, Spruance, Meith	50-50208	Legal Services, February, 2010	\$ 2,438.31
25254	Northern Calif. Gloves	56-56100	Rain Gear, Boots	\$ 224.76
25255	North Valley Barricade, Inc.	53-53260	Wattles, Marking Paint	\$ 355.61
25256	Oroville, City of	56-56250	Sewer service, 7/1-6/30/10	\$ 1,688.64
25257	Oroville Ford-Lincoln-Mercury	56-56150	Switch, Coolant, Sensor	\$ 235.87
25258	Office Equipment Finance Serv	50-50171	Copier Lease, 3/10/10 invoice	\$ 487.12
25259	Pioneer Shipping	53-53204	Shipping Charges, 2/4-3/1/10	\$ 47.33
25260	Ramos Oil Co.	56-56160	February, 2010 Fuel Deliveries, 2/5-2/26/10	\$ 4,020.15
25261	Recology Butte Colusa Counties	56-56251	February, 2010 service	\$ 558.70
25262	Riebes Auto Parts	56-56150	Turn Brake Rotors	\$ 56.96
25263	Les Schwab	56-56150	Tires, Tire Balancing, Tire Repair	\$ 1,175.37
25264	Sharp's Locksmithing	56-56370	Padlocks, Keys, Display box repair	\$ 128.66
25265	Sierra Foothill Laboratory	53-53204	Rainbow Trout Bioassay	\$ 660.00
25266	Telstar Instruments Inc.	53-53260	Regulator, Chloromatic, Rotometer kits	\$ 814.26
25267	U.S.A. Blue Book	53-53260	Wind Sock, Lansas AR Plug, Gloves	\$ 296.93
25268	U.S. Bank	52-52106	Ergonomic Supplies, Workamper subscription	\$ 1,364.32
25269	United Truck Dismantlers	56-56150	Tailgate, Rear Bumper	\$ 947.19
25270	Vista Net, Inc.	58-58999	T-1 Internet, 2.10 support, Bangor computer	\$ 2,176.46
25271	West Payment Center	50-50225	2010 Water Code Updates	\$ 58.46
25272	Wilbur-Ellis	54-54104	Garlon, Roundup	\$ 1,933.89
Total February 2010 Water Division Warrants				\$ 60,604.85

Water Division Miscellaneous Expenses February 2010

<u>Date</u>	<u>Check #</u>	<u>Vendor Name</u>	<u>Account</u>	<u>Description</u>	<u>Amount</u>
02/03/10	25101	AT&T Mobility	50-50251	New Cell Phone Services	\$ 1,659.43
02/03/10	25102	CalPERS	50-50400	February Employee Health Ins.	\$ 33,556.23
02/03/10	25103	CalPERS	50-50413	Employee Retirement PE 1/23/10	\$ 38,305.31
02/03/10	25104	Home Depot	56-56102	Pipe, Saw, Nails & Lumber	\$ 531.46
02/03/10	25105	City of Oroville	00-22907	3rd & 4th Qtrs 2009 City Utility Taxes	\$ 14,864.49
02/03/10	25106	Reliance Std Life	50-50402	February Employee Life Ins.	\$ 629.60
02/03/10	25107	Standard Insurance	50-50403	Jan & Feb Employee Long Term Disability	\$ 2,447.83
02/03/10	25108	Tractor Supply	54-54104	Shop towels, Sprayer Repair Parts	\$ 61.35
02/03/10	25109	Wal-Mart	56-56100	Shop Supplies	\$ 48.32
02/23/10	25110-25153	January Warrants			\$ -
02/16/10	25154	ACWA Health Benefits	50-50400	March Employee Vision & Dental	\$ 4,331.51
02/16/10	25155	ADP	50-50201	Payroll Processing PE 1/23/10	\$ 363.82
02/16/10	25156	Void			\$ -
02/16/10	25157	Cal-Osha Reporter	52-52225	Subscription Renewal	\$ 427.00
02/16/10	25158	CalPERS	50-50413	Employee Retirement PR 2/12/10	\$ 19,342.53
02/16/10	25159	CA Dept of Child Support	00-15224	Employee Judgement	\$ 270.83
02/16/10	25160	Troy Davis	00-22600	Job Order Refund	\$ 381.95
02/16/10	25161	Field Asset Service	00-22600	Job Order Refund	\$ 157.74
02/16/10	25162	Extra Storage	00-22600	Job Order Refund	\$ 186.13
02/16/10	25163	Granite Construction	53-53260	Gravel	\$ 142.49
02/16/10	25164	Home Depot	56-56100	Plywood, Misc. Cleaning Supplies	\$ 270.76
02/16/10	25165	Mason McDuffie	00-22600	Job Order Refund	\$ 138.15
02/16/10	25166	O.E.D.C.O.	50-50350	Annual Dinner Reservation - Cecchi	\$ 50.00
02/16/10	25167	Marian Omot	00-22600	Job Order Refund	\$ 794.80
02/16/10	25168	PG&E Oroville	5 -5 250	January Utility Statement	\$ 3,155.55
02/16/10	25169	SCOR	53-53260	January Lab Supplies	\$ 52.83
02/16/10	25170	Staples	58-58106	Misc. IT Supplies	\$ 206.49
02/16/10	25171	Wal-Mart	53-53260	Misc. Shop Supplies	\$ 77.44
02/16/10	25172	Irene Metcalf Trust	00-22200	UB Refund	\$ 24.61
02/16/10	25173	Shawn Ramsey	00-22200	UB Refund	\$ 30.00
02/16/10	25174	Cindy Savage	00-22200	UB Refund	\$ 35.15
02/16/10	25175	Sierra Central Credit	00-22200	UB Refund	\$ 19.85
02/16/10	25176	Carmel Mooney - Trustee	00-22200	UB Refund	\$ 19.46
02/16/10	25177	Henry Runge	00-22200	UB Refund	\$ 35.26
02/16/10	25178	Kimberly Alger	00-13999	Direct Deposit Refund	\$ 108.92
02/26/10	25179	A & D Transmissions	56-56150	Transmission Service, Parts	\$ 676.69
02/26/10	25180	ADP	50-50201	Payroll Processing	\$ 1,014.01
02/26/10	25181	AFLAC	00-22915	Empl Supplemental Ins. PR 2/12 & 2/26/10	\$ 302.96
02/26/10	25182	Kimberly Alger	00-13999	Direct Deposit Refund	\$ 108.92
02/26/10	25183	AT&T	5 -5 251	February Local Statement	\$ 1,233.17
02/26/10	25184	AT&T	50-50251	Monthly T1 Bandwidth	\$ 745.42
02/26/10	25185	AT&T Long Distance	5 -5 251	February Long Distance Statement	\$ 144.61
02/26/10	25186	CA Dept of Child Support	00-15224	Employee Judgement	\$ 270.83
02/26/10	25187	Home Depot	56-56100	Lumber, Nails, Cleaning Supplies	\$ 134.54
02/26/10	25188	Minasian Law Firm	50-50208	January Statement	\$ 1,626.20
02/26/10	25189	City of Oroville	00-22907	January City 2010 Utility Tax	\$ 1,154.22
02/26/10	25190	Office Equip Finance	50-50171	Copier Lease	\$ 487.12
02/26/10	25191	Red's Mobile Glass	56-56150	Window Replacement C-3	\$ 397.22
02/26/10	25192	Reliance Std Life	50-50402	March Employee Life Ins.	\$ 629.60
02/26/10	25193	Riebes Auto Parts	56-56150	Hose Clamp	\$ 41.31
02/26/10	25194	SFWP - Power Division	00-22470	4th Qtr 2009 Interdivision Billing	\$ 143.97
02/26/10	25195	Sprint	54-54251	On-Call Cell Phone Service	\$ 68.20
02/26/10	25196	Tractor Supply	54-54104	Spray gun	\$ 53.30
02/26/10	25197	US Bank	50-50350	February Business Meeting Expense State	\$ 411.45
02/26/10	25198	Wal-Mart	56-56100	Misc. Shop Supplies	\$ 20.37
				TOTAL FEBRUARY, 2010 CHECKS	\$ 132,391.40

WATER DIVISION
PAYROLL
FEBRUARY, 2010

PAYROLL DEF/COMP WIRES P/E 2/6/10	\$	2,532.67
PAYROLL DEF/COMP WIRES P/E 2/20/10	\$	2,532.69
PAYROLL STATE & FED TAXES	\$	64,697.81
PAYROLL NET	\$	133,438.98
TOTAL FEBRUARY, 2010	\$	203,202.15

POWER DIVISION
February, 2010 Power Division Warrants

<u>Check #</u>	<u>Vendor Name</u>	<u>Account</u>	<u>General Description</u>	<u>Amount</u>
<u>3/23/2010</u>				
66225	AECOM USA, Inc.	63-58115	Eng Svc. Lost Cr & Sly Cr	\$ 67,781.47
66226	Airgas, NCN	62-56130	Gas Detector, Test Stand	\$ 3,887.80
66227	Allied Electronics, Inc.	61-57170	Tyco Electronics/Agastat Timer	\$ 1,575.39
66228	All Metals Pipe & Supply	62-57150	Flat Steel, Bolts	\$ 84.03
66229	Burlington Safety Lab, Inc.	6_-57135	Rubber Insulated Gloves	\$ 80.00
66230	Butte Auto Supply	64-57145	Bearings, Seals	\$ 67.06
66231	Butte Glass Co.	62-56130	Glass Cleaner	\$ 97.43
66232	Buttes/Center State Pipes	65-57125	Pipe Fittings	\$ 714.25
66233	Caltrol Inc.	6_-57155	Pressure Gauges, 60, 100, 600 PSI	\$ 446.33
66234	CDW Government, Inc.	62-57160	Comm Room part	\$ 317.33
66235	City Body Repair	61-57115	Air Valves for SPH	\$ 831.19
66236	Cornsco Inc.	63-56130	Floor Mats, Towel Dispenser	\$ 177.16
66237	Consolidated Electrical Distrib	63-58115	Pipe, Clamps, Circuit Breaker, Lubricant	\$ 2,079.18
66238	Cresco Equipment Rentals	65-57115	Rental of 17 Ton Boom Truck	\$ 562.41
66239	Graphic Controls, LLC	63-57115	Recording Charts	\$ 531.39
66240	Herguth Laboratories, Inc.	64-57125	Test Oil Samples for FPH	\$ 214.56
66241	Huntington's Sportsman	62-56130	Employee Boots	\$ 176.82
66242	Interstate Batteries	63-57115	Deep Cycle Batteries	\$ 657.73
66243	Kaman Industrial Technology	63-57145	Bearings, Seals	\$ 772.56
66244	K-Gas, Inc.	62-56130	Propane, 2/12-3/10/10	\$ 7,340.62
66245	Lake Oroville Ace Hardware	65-57115	Concrete, Bolts	\$ 255.58
66246	McMaster-Carr	63-57155	Sink for cleaning strainers, Washers	\$ 1,010.87
66247	M J B Welding Supply	62-56130	Welding Rod, Carrying Cases, Cable Liner	\$ 284.26
66248	MSC Industrial Supply Company	62-56130	Depth Micrometer	\$ 102.83
66249	National Technology Transfer	62-56130	Arc Flash Training	\$ 1,598.00
66250	Northern Calif Gloves	62-56130	Gloves, Hip Boots	\$ 351.31
66251	Oroville Ford-Lincoln-Mercury	62-57150	Hydraulic Brake Valve	\$ 154.89
66252	Oroville Safe & Lock	62-56130	Keys	\$ 6.58
66253	PG&E - Oroville	6_-56120	Service 1/5-2/22/10	\$ 3,319.10
66254	PG&E - Special	6_-56120	FOC, 1 & 2/2010, SCADA Replacement	\$ 33,151.75
66255	Pioneer Shipping	63-58115	UPS fees	\$ 27.84
66256	Raley's Store #236	62-56130	Supplies	\$ 5.89
66257	Ramos Oil Co., Inc.	62-56150	Fuel deliveries, 2/17and 3/10/10	\$ 7,501.20
66258	Ray's General hardware	63-57115	Wrenches, Pipe, Fittings, Buckets	\$ 116.19
66259	Recology Butte Colusa Counties	62-56130	Garbage service, 2/2010	\$ 213.44
66260	Stillwater Sciences	63-56110	Slate Creek SPT Monitoring	\$ 5,075.28
66261	Surface Water Data, Inc.	62-56510	Stream Gaging for March 2010	\$ 14,770.00
66262	Vista Net, Inc.	62-57160	Rebuild server, Remote Support	\$ 1,000.00
66263	J W Wood Co.	65-57125	Galv Union, Nipples	\$ 60.93

Total February, 2010 Power Division Warrants \$ 157,400.65

POWER DIVISION

Miscellaneous Expenses and Payroll February 2010

<u>Date</u>	<u>Name or Company or Person</u>	<u>Check #</u>	<u>Description</u>	<u>Account</u>	<u>Amount Total</u>
02/17/10	Bank of America	Stmt	Acct Analysis Stmt for Jan '10	62-56130	\$ 197.64
02/03/10	CalPERS	66119	February '10 Employees Health Insurance	62-56392	\$ 30,748.47
02/03/10	CalPERS	66120	Employees Contribution for PE 1/9/10 & 1/23/1	62-56413	\$ 27,595.60
02/03/10	Reliance Standard Life	66121	February '10 Employee Life Insurance	62-56392	\$ 313.03
02/03/10	Standard Insurance	66122	Jan & Feb '10 Long Term Disability Insurance	62-56407	\$ 1,733.14
02/04/10	So Feather Wtr & Pwr	66123	Other Post-Employment Benefits (OPEB)	62-56403	\$ 3,265,708.00
02/11/10	January Warrants	66124-66168	Ck 66155 (\$19,328.41) is a 2009 Expense		\$ -
02/16/10	ACWA Health Benefits	66169	March Employee Vision & Dental	62-56392	\$ 2,853.30
02/16/10	ADP	66170	Payroll Processing PR 1/23/10	62-56130	\$ 193.83
02/16/10	AT&T	66171	T1 Line for February	62-56130	\$ 385.94
02/16/10	CalPERS	66172	Employee Retirement PR 2/12/10	62-56413	\$ 14,146.35
02/16/10	Minasian Law Firm	66173	December 2009 Services	62-56540	\$ 528.75
02/16/10	Oroville Cable	66174	Welding and Safety Supplies	64-57125	\$ 536.86
02/16/10	Void	66175			\$ -
02/16/10	Fred Pryor Seminars	66176	Project Management training - A. Brown	62-56541	\$ 189.00
02/16/10	Riebes Auto Parts	66177	Misc Auto Repair Parts	62-57150	\$ 557.87
02/16/10	Staples Credit Plan	66178	Misc. Office Supplies	62-56130	\$ 250.07
02/16/10	Wal-Mart	66179	Batteries, Lighters, bottled Water	62-56130	\$ 80.63
02/16/10	State Street Bank	66180	Employee 457 Contributions PR 2/12/10	00-22908	\$ 1,208.61
02/16/10	PG&E Oroville	66181	January Utility Statement	6_-56120	\$ 3,098.81
02/16/10	PG&E Special	66182	WPH Circuit Breakder	63-58145	\$ 1,520.89
02/26/10	ADP	66183	Payroll Processing	62-56130	\$ 430.58
02/26/10	AFLAC	66184	Empl Supplemental Ins PR 2/12 & 2/26/10	00-22915	\$ 40.72
02/26/10	AT&T	66185	February Statement	6_-56130	\$ 765.45
02/26/10	AT&T Long Distance	66186	February Long Distance Statement	62-56130	\$ 50.53
02/26/10	Bank of America	66187	February Bank Card Statement-Glaze	62-56130	\$ 70.08
02/26/10	Bank of America	66188	February Bank Card Statement-Zancanella	62-56100	\$ 880.99
02/26/10	Calif Fish & Game	66189	Streambed Alteration Program	65-57115	\$ 224.00
02/26/10	CDW Government	66190	UPS Backups	6_-57160	\$ 4,086.40
02/26/10	Home Depot	66191	Tool Box, Screwdrivers	6_-57155	\$ 132.73
02/26/10	Hughes Network System	66192	Service to 8/6/10	62-57160	\$ 664.93
02/26/10	Minasian Law Firm	66193	January Statement	62-56540	\$ 3,426.67
02/26/10	Oroville Cable	66194	Welding Supplies, Torch Set	62-56130	\$ 872.42
02/26/10	Riebes Auto Parts	66197	Misc. Auto Repair Parts	62-57150	\$ 485.64
02/26/10	SFWP Water Division	66198	4th Qtr Interdivision Statement	00-22450	\$ 3,264.92
02/26/10	Staples Credit Plan	66199	Storage boxes, Ink Cartridges	6_-56130	\$ 315.67
02/26/10	Tractor Supply	66200	Employee Work Pants	62-56130	\$ 37.88
02/26/10	U.S. Bank	66201	2009 Bond Publications	62-59101	\$ 14,440.91
02/26/10	Western Business	66202	Copier Maintenance	62-56130	\$ 645.59

February, 2010 Power Division Miscellaneous Checks

\$ 3,383,132.33

Lincoln - 457	Def Comp, PE 2/6/10-Lincoln	\$ 3,196.87
ICMA - 457	Def Comp, PE 2/6/10-ICMA	\$ 2,907.46
Lincoln - 457	Def Comp, PE 2/20/10-Lincoln	\$ 2,608.00
ICMA - 457	Def comp, PE 2/20/10-ICMA	\$ 1,992.32
01/15/10	FED & STATE P/E 2/6/10	\$ 35,149.76
01/29/10	FED & STATE P/E 2/20/10	\$ 31,451.24
01/15/10	PAYROLL NET P/E 2/6/10	\$ 54,053.14
01/29/10	PAYROLL NET P/E 2/20/10	\$ 49,936.47

February, 2010 Power Division Payroll

\$ 181,295.26



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Steve Wong, Finance Division Manager

DATE: March 18, 2010

RE: General Information (regarding matters not scheduled on the agenda)
3/23/10 Board of Directors Meeting

South Feather Relicensing Consulting Services

HDR Engineering, Inc. (HDR), consultant for the South Feather Project relicensing have submitted an invoice and report for the period of January 31 through February 27, 2010 in the amount of \$10,927. The payments to HDR for their services, including this invoice, amount to \$5,071,306.

Disposition of Trucks

Five surplus trucks were sold last month, one using an auction service for surplus government vehicles in Sacramento and four using Craigslist and a sealed bid process. Total proceeds from the disposition of the trucks was \$7,630. In the meantime, the four new vehicles included in the 2010 budget have been purchased, have arrived, and have been placed into service.

2009 Annual Audit

Field work for the 2009 annual audit took place from March 9-11, 2010. The work was performed by the same staff as last year from the firm of Mann, Urrutia, Nelson, CPAs. The auditors also had a meeting with the Board's Finance Committee on March 11. It is anticipated the report and audit will be completed in April.

State Mandated Cost-Brown Act

Agency attorneys have advised that a recent court case is requiring the State to re-activate the State mandate reimbursement program, allowing local governmental agencies subject to the Brown Act to seek reimbursement for the costs of preparing Board agenda packets. It appears that South Feather may seek reimbursement for the costs related to Brown Act compliance incurred over the last four years. A report will be provided to the Board following a review of the guidelines and submittal of the initial reimbursement request.

South Feather Water & Power
Water Division Financial Report
March 23, 2010 Board Meeting
2007, 2008, 2009 and 2010

<u>Account</u>	<u>DESCRIPTION</u>	<u>2007 ACTUAL</u>	<u>2008 ACTUAL</u>	<u>2009 ACTUAL</u>	<u>2010 BUDGET</u>	<u>2010 ACTUAL THRU 2/28/10</u>	<u>% RECEIVED</u>
REVENUE:							
Water Sales Rev							
41100	Domestic Water	2,552,208	2,580,748	2,445,240	2,425,000	294,196	12%
41400	Irrigation Water	252,594	252,037	229,599	225,000	14,730	7%
41300	Surplus Water (PG&E)	148,440	159,694	192,914	10,000	0	0%
41502	Surplus Water (Contract)	0	1,650,000	1,000	0	0	0%
	Sub-Total Water Sales Rev	2,953,242	4,642,479	2,868,753	2,660,000	308,926	12%
41305	Sly Cr Pwr Generation	122,858	148,375	225,455	600,000	0	0%
41450	Woodleaf TWD	6,863	23,443	63,990	10,000	0	0%
41500	Surplus Wtr (PGE Sly Cr)	368,000	368,000	368,000	184,000	184,000	100%
41600	Sly Creek MOU	77,200	77,200	77,200	38,600	38,600	100%
	Sub-Total Power Rev	3,528,163	5,259,497	734,645	832,600	222,600	27%
Water Serv Chgs							
42301	Sundry Billing (Job Orders)	86,203	152,930	14,280	10,500	0	0%
42303	Inspection Fees	11,203	2,580	0	0	0	0%
42341	System Cap Chg (MRTP)	224,812	237,759	17,216	0	0	0%
	Other Water Serv Charges	33,154	45,290	95,808	77,500	9,797	13%
	Sub-Total Water Serv Chgs	355,372	438,559	127,304	88,000	9,797	11%
Non-Oper Revenue							
49202	Int-Time Certificates	70,151	46,868	18,178	20,000	0	0%
49205	Int-95 COP	30,474	0	0	0	0	0%
49250	Int-Misc	24,596	24,396	18,323	11,500	1,367	12%
49311	Property Taxes	494,987	529,166	517,253	517,000	3,241	1%
49312	ERAF Surcharge	(130)	(4)	4	0	0	0%
49400	Prior Year	9,285	1,410	0	0	0	0%
49500	Revenue, PG&E	0	93,959	0	200,000	0	0%
49625	Back Flow Installation	23,998	34,527	29,612	20,000	5,094	25%
49630	Back Flow Inspection	68,901	75,948	78,275	75,000	13,276	18%
49910	PG&E (SFPP)	10,000	10,000	5,000	10,000	0	0%
49912	04 Refinancing, Excess Funds	357,865	266,163	293,464	886,000	889,344	100%
49932	North Yuba Water District	8,419	12,759	4,286	10,000	0	0%
	Other Non-Oper Rev	2,222	47,205	24,520	1,000	314	31%
	Transfer In From 1995 COP Res Fd			686,924	0	0	0%
	Sub-Total Non-Oper Rev	1,100,768	1,142,397	1,675,839	1,750,500	912,636	52%
	TOTAL GENERAL FUND REVENUE	4,984,303	6,840,453	5,406,541	5,331,100	1,453,959	27%

South Feather Water & Power
Water Division Financial Report
March 23, 2010 Board Meeting
2007, 2008, 2009 and 2010

<u>Account</u>	<u>DESCRIPTION</u>	<u>2007 ACTUAL</u>	<u>2008 ACTUAL</u>	<u>2009 ACTUAL</u>	<u>2010 BUDGET</u>	<u>2010 ACTUAL THRU 2/28/10</u>	<u>% EXPENDED</u>
EXPENSES:							
General Administration, 1-50							
	Salaries & Benefits	1,640,067	1,763,255	926,989	951,208	138,079	15%
	Supplies	10,620	26,028	17,299	17,300	1,532	9%
	Services	206,002	172,800	194,124	206,700	16,430	8%
	Utilities	19,731	21,367	31,722	31,000	3,766	12%
	Fuel, Oil, Auto	1,296	1,341	215	1,500	0	0%
	Training/Dues	73,995	57,893	62,668	78,700	15,801	20%
	Total General Admin, 1-50	1,951,711	2,042,684	1,233,017	1,286,408	175,608	14%
Water Source, 1-51							
	Source of Supply	13,579	13,757	14,113	14,500	0	0%
	Total Water Source, 1-51	13,579	13,757	14,113	14,500	0	0%
Environ Health & Safety, 1-52							
	Salaries & Benefits	29,801	33,743	62,576	63,944	8,924	14%
	Supplies	2,275	3,413	6,154	7,000	286	4%
	Services	924	3,732	11,854	10,000	746	7%
	Utilities	0	0	0	0	0	0%
	Fuel, Oil, Auto	0	0	0	0	0	0%
	Training/Dues	5,036	5,730	6,760	10,000	214	2%
	Total EH&S, 1-52	38,036	46,618	87,344	90,944	10,170	11%
Water Treatment, 1-53							
	Salaries & Benefits	394,373	372,884	578,506	645,522	96,101	15%
	Supplies	44,898	64,215	75,216	85,000	6,528	8%
	Services	10,418	26,048	14,288	15,000	3,747	25%
	Utilities	39,605	37,465	42,256	49,500	1,538	3%
	Fuel, Oil, Auto	582	654	23	700	55	8%
	Training/Dues	0	366	1,064	3,000	150	5%
	Total Water Treat, 1-53	489,876	501,632	711,353	798,722	108,119	14%
Transmission & Distribution, 1-54							
	Salaries & Benefits	758,790	773,635	1,466,298	1,667,750	202,828	12%
	Supplies	139,527	142,118	201,351	182,000	11,464	6%
	Services	4,978	1,408	6,170	6,500	53	1%
	Utilities	22,052	25,201	23,821	22,000	1,449	7%
	Fuel, Oil, Auto	1,215	1,143	4	1,000	0	0%
	Training/Dues	269	0	0	0	0	0%
	Total Trans & Dist, 1-54	926,831	943,505	1,697,644	1,879,250	215,794	11%

South Feather Water & Power
Water Division Financial Report
March 23, 2010 Board Meeting
2007, 2008, 2009 and 2010

<u>Account</u>	<u>DESCRIPTION</u>	<u>2007 ACTUAL</u>	<u>2008 ACTUAL</u>	<u>2009 ACTUAL</u>	<u>2010 BUDGET</u>	<u>2010 ACTUAL THRU 2/28/10</u>	<u>% EXPENDED</u>
EXPENSES (CON'T):							
Customer Accounts, 1-55							
	Salaries & Benefits	246,203	283,304	300,087	340,697	38,464	11%
	Supplies	55,229	61,767	56,999	66,000	4,832	7%
	Services	0	0	0	0	0	0%
	Utilities	0	0	0	0	0	0%
	Fuel, Oil, Auto	0	0	0	0	0	0%
	Training/Dues	0	0	230	100	0	0%
	Total Cust Accts, 1-55	301,432	345,071	357,316	406,797	43,296	11%
General Plant & Shop, 1-56							
	Salaries & Benefits	181,668	211,898	209,095	222,839	24,229	11%
	Supplies	12,570	20,883	12,954	19,400	3,659	19%
	Services	7,070	4,229	6,221	10,000	231	2%
	Utilities	21,233	20,956	20,486	26,500	4,410	17%
	Fuel, Oil, Auto	106,270	118,211	95,412	97,500	12,375	13%
	Training/Dues	0	0	0	0	0	0%
	Total Gen Plant & Shop, 1-56	328,811	376,177	344,168	376,239	44,904	12%
Sundry & Expense Credits, 1-57							
	Salaries & Benefits	27,446	41,957	17,034	32,256	2,533	8%
	Supplies	(24,592)	(96,980)	(102,065)	(50,000)	(4,300)	9%
	Services	(200,739)	(63,144)	(54,548)	(20,000)	2,890	-14%
	Utilities	0	0	0	0	0	0%
	Fuel, Oil, Auto	0	0	0	0	0	0%
	Training/Dues	0	0	0	0	0	0%
	Total Sundry, 1-57	(197,885)	(118,167)	(139,579)	(37,744)	1,123	-3%
Information Technology, 1-58							
	Salaries & Benefits	46,883	44,497	94,265	87,927	14,807	17%
	Supplies	7,184	16,012	17,394	35,700	1,535	4%
	Services	3,680	8,605	9,482	23,000	436	2%
	Utilities	0	0	100	2,500	130	5%
	Fuel, Oil, Auto	0	0	0	0	0	0%
	Training/Dues	20,151	25,096	20,681	29,825	4,201	14%
	Total Info Tech, 1-58	77,898	94,210	141,922	178,952	21,109	12%
Sly Creek Power Plant, 1-61							
		0	0	0	261,500	0	0%
	TOTAL OPERATING EXPENSES	3,930,289	4,245,487	4,447,298	5,255,568	620,123	12%
	SUB-TOTAL, REVENUES OVER OPER EXP	1,054,014	2,594,966	959,243	75,532	833,836	

South Feather Water & Power
Water Division Financial Report
March 23, 2010 Board Meeting
2007, 2008, 2009 and 2010

<u>Account</u>	<u>DESCRIPTION</u>	<u>2007 ACTUAL</u>	<u>2008 ACTUAL</u>	<u>2009 ACTUAL</u>	<u>2010 BUDGET</u>	<u>2010 ACTUAL THRU 2/28/10</u>
SUB-TOTAL, REVENUES OVER OPER EXP		1,054,014	2,594,966	959,243	75,532	833,836
Non-Operating, 1-59						
Supplies & Services		1,094	(122,779)	1,546	2,000	0
Interest		325,100	302,220	235,042	222,171	0
Principal		705,986	746,536	787,113	242,734	0
Non-Operating, 1-59		1,032,180	925,977	1,023,701	466,905	0
Available for Capital Outlay Expenses and Relicensing		21,834	1,668,989	(64,458)	(391,373)	833,836
Other Non-Operating Expenses:						
Capital Outlay		315,596	151,068	173,883	587,100	14,257
Relicensing		423,412	242,483	157,866	50,000	18,959
Transfers:						
SFPP Jt Facil Oper Fd-Minimum Payment					354,500	0
SFPP Jt Facil Oper Fd-Relicensing					560,000	0
Retiree Health Benefits Fd					336,673	0
M RTP System Capacity Fund					(1,608,077)	0
Net Transfers					(356,904)	0
NET REVENUE OVER EXPENSES		(717,174)	1,275,438	(396,207)	(1,385,377)	800,620
Beginning Balance		2,050,821	1,333,647	2,609,085	1,505,920	2,212,878
Ending Balance		1,333,647	2,609,085	2,212,878	120,543	3,013,498
DESIGNATED FOR SYSTEM CAPACITY						
Beginning Balance		1,297,285	1,209,113	1,682,077		
Plus:						
System Capacity Fees		224,812	237,759	17,216		
Loan Repayment		0	340,000	0		
Interest		71,120	46,273	12,000		
Total Available		1,593,217	1,833,145	1,708,077		
Less:						
System Capacity Capital Projects		(44,104)	(151,068)	(47,850)		
Loans for General Operations		(340,000)	0	0		
Ending Balance		1,209,113	1,682,077	1,660,227		
SCHEDULE OF CASH AND INVESTMENTS						
General Fund Savings Account						127,388
LAIF						4,627,729
WFB Money Market						1,000,000
Certificates of Deposit						603,904
TOTAL CASH & INVESTMENTS AT 2/28/2010						6,359,021

SOUTH FEATHER WATER & POWER
IRRIGATION WATER ACCOUNTING
FOR THE PERIOD OF 1/1/10 - 2/28/2010

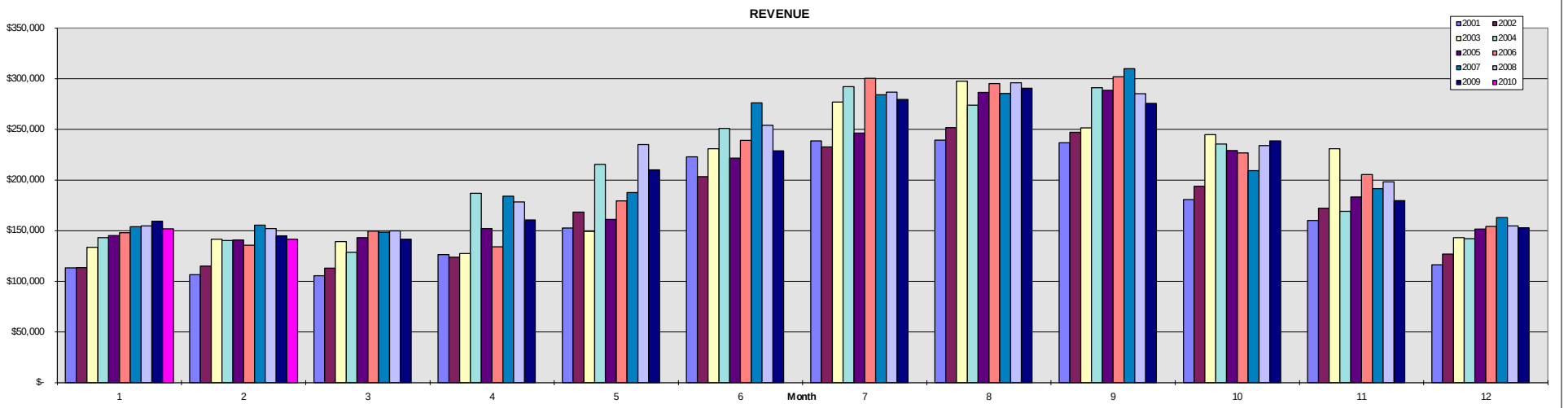
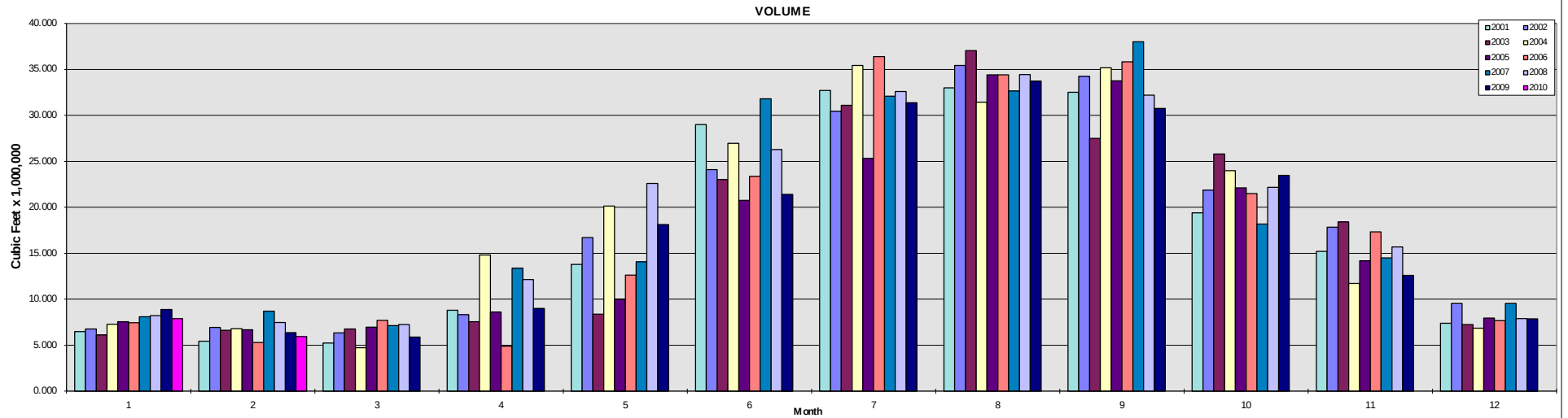
<u>ACCT CODE</u>	<u>DESCRIPTION</u>	<u>REVENUE</u>	<u>EXPENSES</u>
2010-504	Palermo Canal	\$ 3,926	\$ 6,909
2010-505	Bangor Canal	\$ 7,902	\$ 10,309
2010-506	Forbestown Canal	\$ 390	\$ 7,111
2010-507	Community Line	\$ 2,512	\$ 1,202
2010-508	Upper Forbestown	\$ -	\$ 5,966
Totals		\$ 14,730	\$ 31,497

South Feather Water & Power
Power Division Financial Report
March 23, 2010 Board Meeting
2007, 2008, 2009 and 2010

<u>Account</u>	<u>DESCRIPTION</u>	<u>2007 ACTUAL</u>	<u>2008 ACTUAL</u>	<u>2009 ACTUAL</u>	<u>2010 BUDGET</u>	<u>2010 ACTUAL THRU 2/28/2010</u>
REVENUE						
41150	Electric Operating Income	5,781,166	9,225,257	5,366,417	12,902,900	812,460
41200	PG&E Semi-Annual Pmt-SFPP	3,128,000	3,128,000	3,128,000	3,128,000	0
41300	PG&E Semi-Annual Pmt-Sly Creek	1,834,744	1,848,469	1,862,381	0	0
41350	Supplemental Pmt-Sly Creek	0	603,190	58,232	0	0
49250	Interest Revenue - SFPP	20,966	8,377	1,362	1,000	0
49261	Interest Revenue - Sly Creek	16,315	3,704	22	100	0
	Other Revenue	20,725	6,960	248,222	0	1,033
TOTAL REVENUE		10,801,916	14,823,957	10,664,636	16,032,000	813,493
EXPENSES BY ACTIVITY						
Sly Creek, 6-61						
	Operations	232,431	290,695	239,612	177,000	44,795
	Routine Maintenance	102,604	63,785	135,534	92,000	4,066
	Non-Routine Maintenance	97,367	496,516	0	14,500	0
	Non-Operating Expenses	555,620	399,394	317,338	0	0
	Additions & Betterments	0	0	0	212,500	0
	Total Sly Creek, 6-61	988,022	1,250,390	692,484	496,000	48,861
South Feather Power Project, 6-62 through 6-65						
	Operations	2,969,191	3,180,339	3,069,947	5,308,000	3,856,996
	Routine Maintenance	1,109,601	938,643	1,240,069	568,000	38,867
	Non-Routine Maintenance	523,096	2,305,457	1,882,606	1,720,000	228,516
	Non-Operating Expenses	338,860	300,778	218,163	0	12,011
	Additions & Betterments	747,599	2,559,507	226,253	4,812,000	0
	Total SFPP, 6-62 to 65	5,688,347	9,284,724	6,637,038	12,408,000	4,136,390
Debt Service		3,704,211	3,954,000	4,119,000	3,128,000	532,000
TOTAL EXPENSES BY ACTIVITY		10,380,580	14,489,114	11,448,522	16,032,000	4,717,251

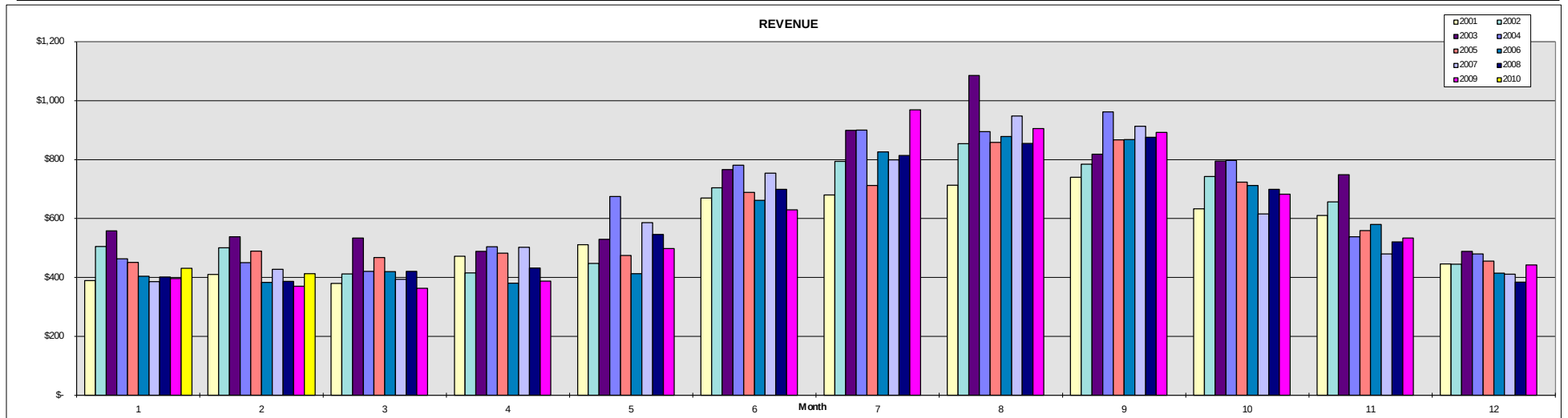
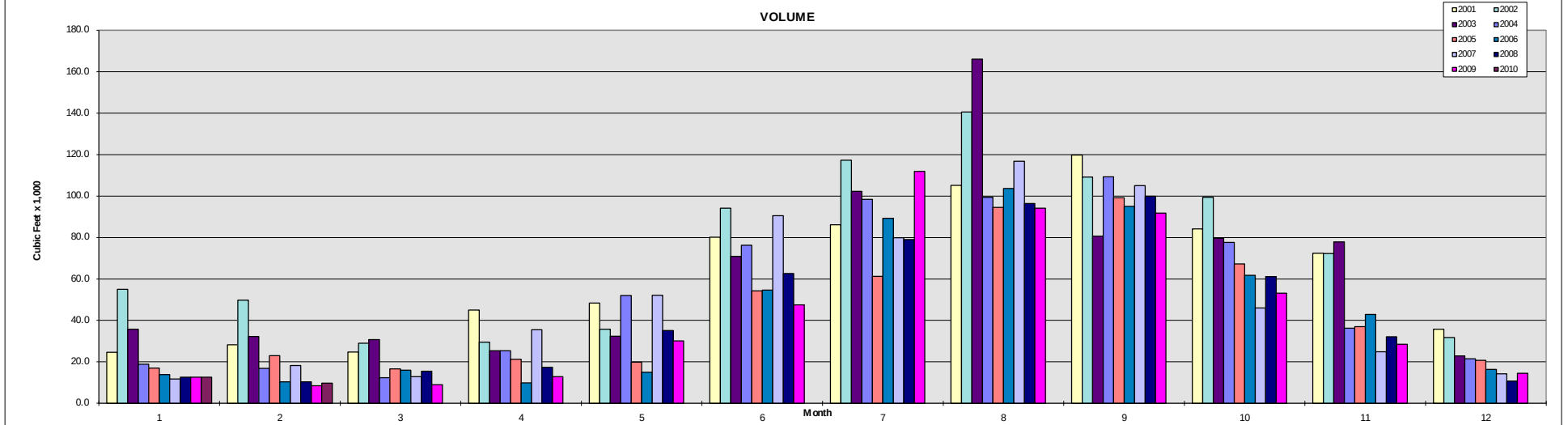
MINERS RANCH TREATMENT PLANT CONSUMPTION: 2000 - 2009

Month	Customers										Volume (x 1,000,000 cf)										Revenue										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
1	6.113	6.173	6.313	6.429	6.474	6.573	6.669	6.725	6.769	6.618	6.487	6.775	6.122	7.271	7.554	7.448	8.090	8.207	8.889	7.916	\$ 113,241	\$ 113,477	\$ 133,641	\$ 143,027	\$ 145,277	\$ 148,137	\$ 153,959	\$ 154,692	\$ 159,260	\$ 151,996	
2	6.120	6.176	6.339	6.420	6.471	6.587	6.679	6.734	6.769	6.614	5.431	6.936	6.628	6.796	6.691	5.292	8.699	7.481	6.365	5.962	\$ 106,726	\$ 115,056	\$ 141,679	\$ 140,355	\$ 140,867	\$ 135,734	\$ 155,627	\$ 152,150	\$ 145,022	\$ 141,650	
3	6.112	6.185	6.352	6.418	6.491	6.599	6.683	6.734	6.611		5.228	6.334	6.774	4.730	6.973	7.711	7.152	7.257	5.880		\$ 105,612	\$ 113,010	\$ 139,244	\$ 128,788	\$ 143,055	\$ 149,585	\$ 148,605	\$ 149,953	\$ 141,538		
4	6.123	6.195	6.351	6.431	6.504	6.601	6.692	6.730	6.617		8.803	8.342	7.575	14.813	8.602	4.902	13.375	12.141	9.000		\$ 126,323	\$ 123,744	\$ 127,524	\$ 186,929	\$ 152,140	\$ 134,041	\$ 184,144	\$ 178,390	\$ 160,660		
5	6.122	6.193	6.350	6.425	6.521	6.617	6.696	6.732	6.618		13.808	16.710	8.391	20.148	9.999	12.634	14.079	22.608	18.122		\$ 152,637	\$ 168,473	\$ 149,448	\$ 215,567	\$ 161,093	\$ 179,334	\$ 187,560	\$ 235,151	\$ 210,095		
6	6.138	6.185	6.362	6.430	6.523	6.629	6.729	6.739	6.614		29.002	24.116	23.040	26.978	20.752	23.382	31.806	26.294	21.423		\$ 222,846	\$ 203,323	\$ 230,840	\$ 250,942	\$ 221,634	\$ 239,100	\$ 276,121	\$ 254,186	\$ 228,845		
7	6.146	6.212	6.372	6.447	6.523	6.622	6.704	6.723	6.613		32.707	30.445	31.117	35.443	25.326	36.390	32.093	32.619	31.394		\$ 238,548	\$ 232,671	\$ 277,024	\$ 292,074	\$ 246,343	\$ 300,406	\$ 284,092	\$ 286,867	\$ 279,461		
8	6.148	6.222	6.403	6.451	6.536	6.653	6.711	6.744	6.616		33.005	35.448	37.053	31.434	34.428	34.406	32.652	34.451	33.753		\$ 239,424	\$ 251,741	\$ 297,688	\$ 273,996	\$ 286,438	\$ 295,228	\$ 285,480	\$ 296,155	\$ 290,613		
9	6.152	6.251	6.396	6.463	6.536	6.652	6.715	6.742	6.618		32.518	34.240	27.494	35.193	33.775	35.822	38.006	32.202	30.758		\$ 236,950	\$ 247,204	\$ 251,588	\$ 291,115	\$ 288,492	\$ 302,033	\$ 310,005	\$ 285,155	\$ 275,714		
10	6.156	6.257	6.407	6.463	6.543	6.653	6.722	6.752	6.624		19.410	21.874	25.796	23.999	22.126	21.505	18.185	22.185	23.476		\$ 180,771	\$ 193,918	\$ 244,822	\$ 235,668	\$ 229,208	\$ 226,935	\$ 209,278	\$ 233,964	\$ 238,626		
11	6.162	6.244	6.406	6.460	6.558	6.664	6.720	6.772	6.611		15.217	17.848	18.403	11.714	14.193	17.340	14.494	15.691	12.593		\$ 160,144	\$ 172,334	\$ 230,893	\$ 169,262	\$ 183,401	\$ 205,562	\$ 191,507	\$ 198,159	\$ 179,613		
12	6.174	6.241	6.404	6.477	6.565	6.657	6.726	6.772	6.618		7.380	9.536	7.259	6.858	7.959	7.683	9.550	7.913	7.865		\$ 116,335	\$ 126,989	\$ 143,185	\$ 142,156	\$ 151,576	\$ 154,272	\$ 162,949	\$ 154,678	\$ 153,027		
	6.139	6.211	6.371	6.443	6.704	6.626	6.704	6.742	6.642		208.996	218.603	205.651	225.378	198.380	214.517	228.180	229.048	209.518	13.878	\$ 1,999,557	\$ 2,061,941	\$ 2,367,575	\$ 2,469,879	\$ 2,349,523	\$ 2,470,368	\$ 2,549,327	\$ 2,579,501	\$ 2,462,475	\$ 293,647	
	Averages										Totals										Totals										



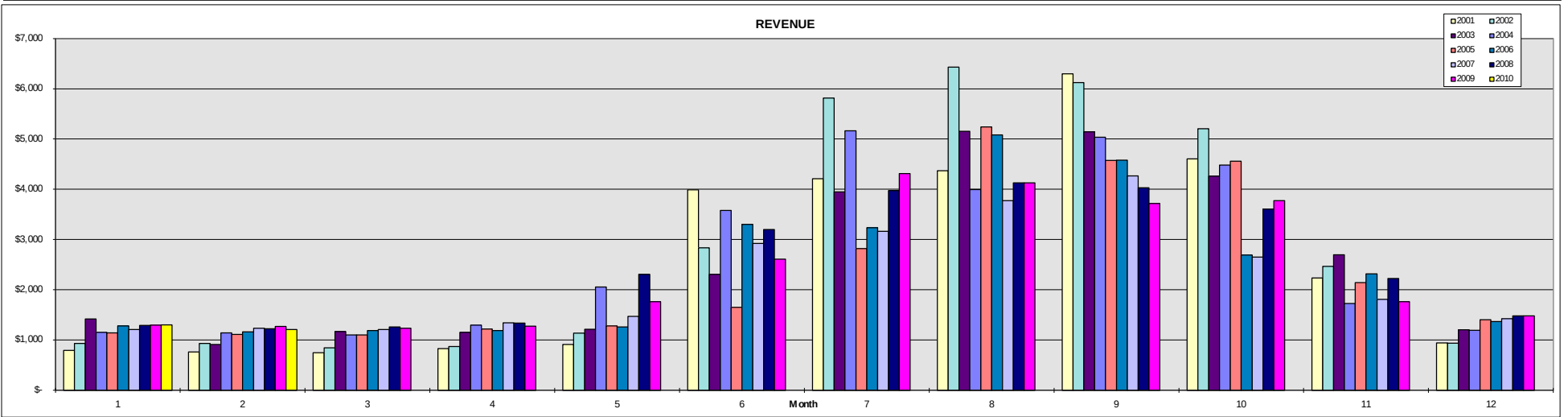
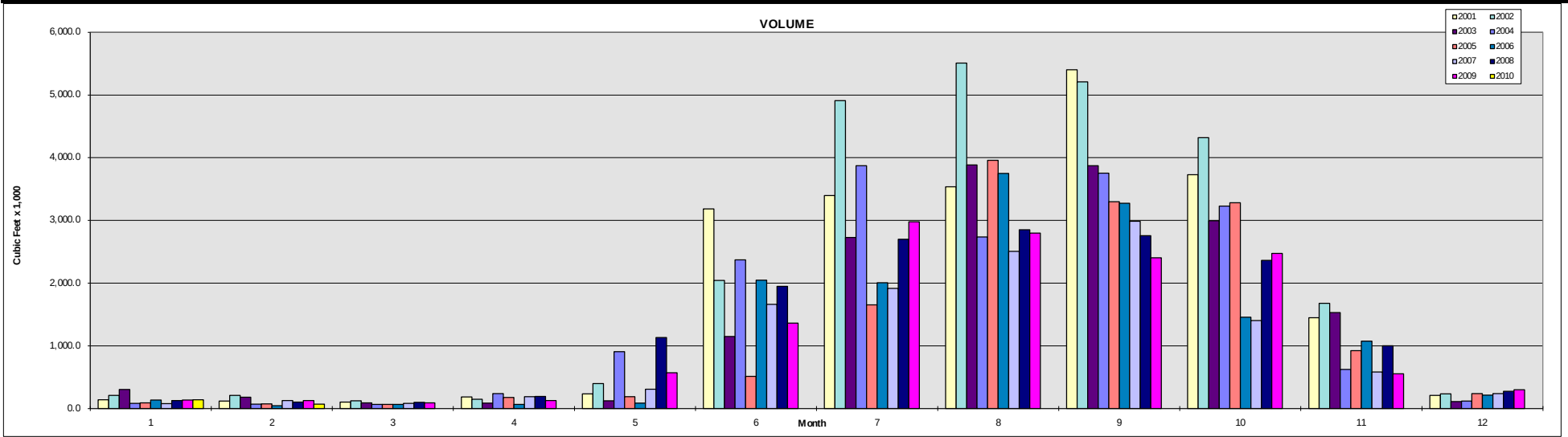
BANGOR TREATMENT PLANT CONSUMPTION: 2000 - 2009

	Customers										Volume (x 1,000 cf)										Revenue									
Month	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1	18	19	22	22	22	24	23	23	22	23	24.6	55.0	35.7	18.9	17.0	13.9	11.8	12.7	12.6	12.7	\$ 390	\$ 505	\$ 558	\$ 463	\$ 451	\$ 404	\$ 386	\$ 402	\$ 396	\$ 431
2	18	19	22	22	22	23	23	23	22	23	28.3	49.7	32.3	16.9	23.0	10.4	18.2	10.4	8.5	9.7	\$ 410	\$ 501	\$ 538	\$ 450	\$ 489	\$ 384	\$ 427	\$ 387	\$ 370	\$ 412
3	18	19	23	22	24	23	23	23	20		24.7	29.0	30.7	12.3	16.6	16.0	12.9	15.5	8.9		\$ 380	\$ 412	\$ 533	\$ 421	\$ 468	\$ 419	\$ 394	\$ 420	\$ 363	
4	18	19	23	22	23	23	23	23	20		45.0	29.5	25.3	25.4	21.2	9.9	35.5	17.4	12.9		\$ 472	\$ 415	\$ 489	\$ 505	\$ 483	\$ 380	\$ 503	\$ 432	\$ 388	
5	18	19	22	22	23	23	23	23	20		48.4	35.8	32.4	52.0	19.9	15.0	52.2	35.1	30.1		\$ 512	\$ 448	\$ 530	\$ 675	\$ 474	\$ 413	\$ 586	\$ 546	\$ 498	
6	18	19	21	22	23	24	23	23	22		80.1	94.2	70.9	76.2	54.3	54.6	90.6	62.7	47.5		\$ 670	\$ 704	\$ 766	\$ 781	\$ 688	\$ 662	\$ 754	\$ 699	\$ 630	
7	18	19	21	22	24	22	23	24	23		86.1	117.3	102.3	98.4	61.3	89.3	79.9	79.0	111.9		\$ 680	\$ 794	\$ 899	\$ 900	\$ 712	\$ 827	\$ 799	\$ 814	\$ 969	
8	18	19	21	22	24	23	23	22	23		105.1	140.5	166.1	99.4	94.5	103.7	116.7	96.4	94.2		\$ 713	\$ 854	\$ 1,086	\$ 895	\$ 858	\$ 878	\$ 948	\$ 855	\$ 905	
9	18	21	21	22	23	23	23	22	23		119.8	109.1	80.6	109.3	99.2	95.0	105.0	99.9	91.8		\$ 740	\$ 785	\$ 818	\$ 962	\$ 867	\$ 868	\$ 913	\$ 876	\$ 893	
10	18	20	22	22	23	24	23	22	23		84.1	99.4	79.7	77.6	67.2	61.8	46.0	61.2	53.2		\$ 633	\$ 743	\$ 795	\$ 797	\$ 723	\$ 712	\$ 615	\$ 699	\$ 683	
11	19	22	22	22	23	23	23	23	23		72.4	72.2	77.9	36.2	37.0	42.8	24.8	32.2	28.5		\$ 610	\$ 657	\$ 749	\$ 538	\$ 559	\$ 580	\$ 480	\$ 521	\$ 533	
12	19	21	22	22	23	23	23	22	23		35.7	31.8	22.9	21.5	20.7	16.3	14.2	10.7	14.4		\$ 446	\$ 445	\$ 489	\$ 480	\$ 456	\$ 415	\$ 411	\$ 384	\$ 443	
	18	20	22	22			23	23	22		754.3	863.5	756.8	644.1	531.9	528.8	607.8	533.1	514.5	22.4	\$ 6,655	\$ 7,261	\$ 8,249	\$ 7,866	\$ 7,229	\$ 6,941	\$ 7,217	\$ 7,034	\$ 7,070	\$ 843
	Averages										Totals										Totals									



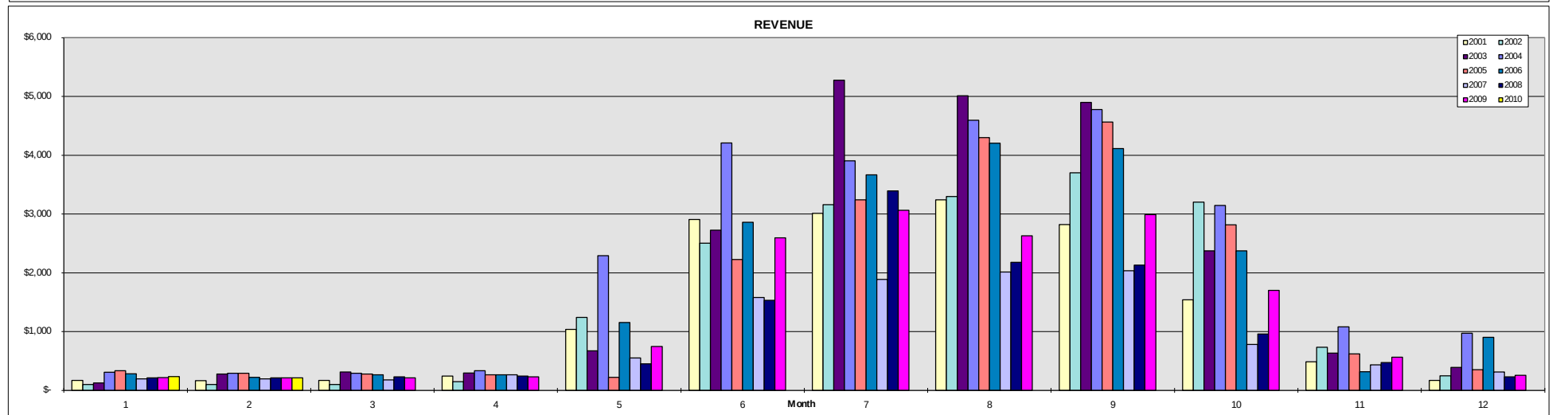
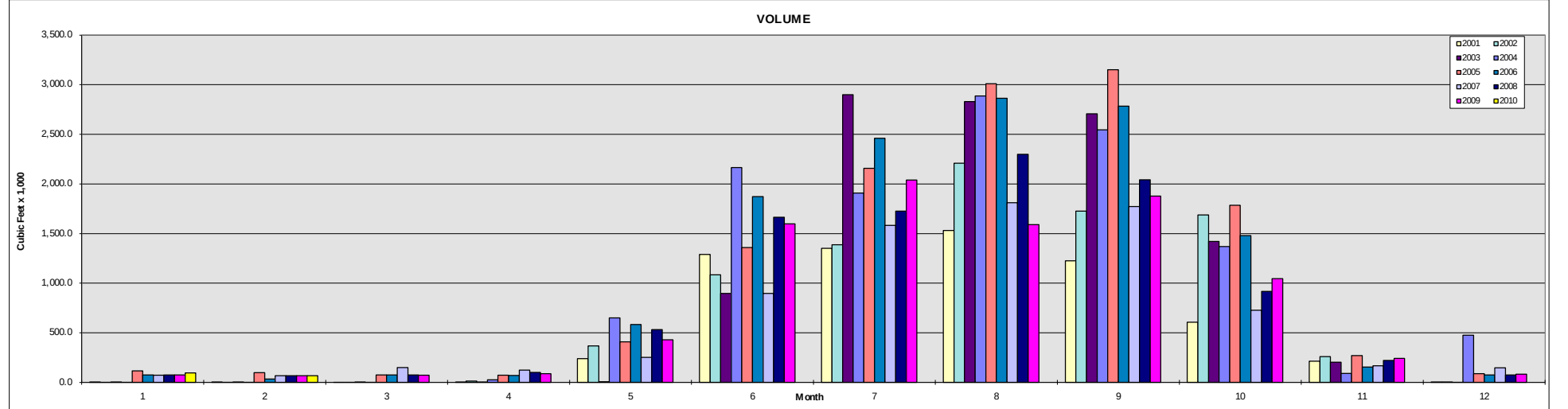
COMMUNITY LINE WATER CONSUMPTION: 2000 - 2009

Month	Customers										Volume (x 1,000 cf)										Revenue									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1	59	65	63	61	60	65	65	66	66	66	141.7	211.6	305.8	84.9	89.8	136.5	80.9	130.0	135.7	142.9	\$ 794	\$ 933	\$ 1,417	\$ 1,155	\$ 1,142	\$ 1,278	\$ 1,207	\$ 1,289	\$ 1,295	\$ 1,302
2	58	65	59	61	59	64	63	64	65	65	119.0	209.2	183.8	70.9	74.9	47.5	127.8	102.3	130.6	69.8	\$ 761	\$ 930	\$ 913	\$ 1,141	\$ 1,110	\$ 1,165	\$ 1,234	\$ 1,225	\$ 1,272	\$ 1,209
3	58	65	62	59	59	64	65	66	65		105.4	125.7	89.9	65.3	68.3	67.8	82.6	100.0	91.9		\$ 747	\$ 844	\$ 1,166	\$ 1,100	\$ 1,103	\$ 1,190	\$ 1,211	\$ 1,258	\$ 1,232	
4	58	65	61	60	59	64	66	65	66		186.3	150.0	85.9	238.9	179.2	67.6	189.3	193.1	126.7		\$ 830	\$ 868	\$ 1,154	\$ 1,296	\$ 1,217	\$ 1,190	\$ 1,344	\$ 1,336	\$ 1,274	
5	63	66	62	64	62	67	66	67	68		236.7	399.7	125.1	908.6	189.2	86.9	308.7	1,132.6	571.1		\$ 911	\$ 1,138	\$ 1,214	\$ 2,056	\$ 1,280	\$ 1,262	\$ 1,473	\$ 2,308	\$ 1,764	
6	65	67	64	65	64	68	69	68	71		3,185.5	2,045.4	1,151.2	2,372.5	515.6	2,049.0	1,664.0	1,950.8	1,361.4		\$ 3,990	\$ 2,836	\$ 2,306	\$ 3,581	\$ 1,651	\$ 3,300	\$ 2,921	\$ 3,199	\$ 2,609	
7	65	69	65	67	64	67	68	68	71		3,395.3	4,911.0	2,729.9	3,873.0	1,652.2	2,004.9	1,917.6	2,700.7	2,980.0		\$ 4,212	\$ 5,815	\$ 3,949	\$ 5,162	\$ 2,822	\$ 3,238	\$ 3,165	\$ 3,972	\$ 4,312	
8	66	69	66	67	67	70	68	68	71		3,534.6	5,507.4	3,884.0	2,738.5	3,957.9	3,750.7	2,508.1	2,852.6	2,800.1		\$ 4,367	\$ 6,432	\$ 5,156	\$ 3,993	\$ 5,239	\$ 5,080	\$ 3,773	\$ 4,128	\$ 4,127	
9	67	69	66	67	67	69	69	68	71		5,401.0	5,209.8	3,874.6	3,752.9	3,300.4	3,273.6	2,988.4	2,757.6	2,403.5		\$ 6,300	\$ 6,125	\$ 5,146	\$ 5,038	\$ 4,572	\$ 4,579	\$ 4,265	\$ 4,030	\$ 3,718	
10	69	69	67	66	68	68	69	67	70		3,729.5	4,317.6	2,996.6	3,229.3	3,283.3	1,456.6	1,403.1	2,362.4	2,473.9		\$ 4,606	\$ 5,206	\$ 4,259	\$ 4,479	\$ 4,561	\$ 2,690	\$ 2,648	\$ 3,606	\$ 3,773	
11	68	67	64	62	68	69	69	68	68		1,448.6	1,680.5	1,531.5	625.5	923.8	1,077.1	582.2	1,003.6	553.7		\$ 2,236	\$ 2,468	\$ 2,697	\$ 1,729	\$ 2,142	\$ 2,317	\$ 1,807	\$ 2,224	\$ 1,760	
12	66	63	62	61	66	66	68	69	67		210.8	236.1	113.2	122.1	240.7	215.3	239.5	274.6	300.8		\$ 943	\$ 936	\$ 1,202	\$ 1,193	\$ 1,403	\$ 1,368	\$ 1,423	\$ 1,482	\$ 1,482	
Averages	64	67	63	63	64	67	67	67	68		21,694.4	25,004.0	17,071.5	18,082.4	14,475.3	14,233.5	12,092.2	15,560.3	13,929.4	212.7	\$ 30,695	\$ 34,532	\$ 30,579	\$ 31,923	\$ 28,241	\$ 28,657	\$ 26,471	\$ 30,058	\$ 28,619	\$ 2,512
Totals																														



FORBESTOWN DITCH WATER CONSUMPTION: 2000 - 2009

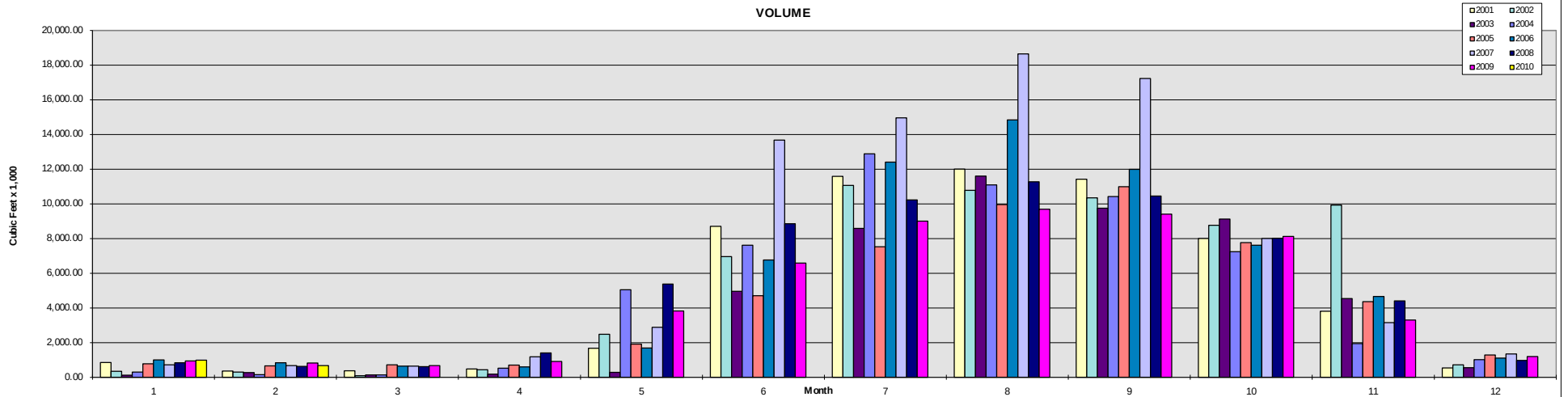
Month	Customers										Volume (x 1,000 cf)										Revenue									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1	7	5	7	10	14	11	6	7	7	7	2.4	1.7	4.3	1.7	115.5	74.2	73.7	74.6	76.5	96.9	\$ 169	\$ 102	\$ 127	\$ 312	\$ 335	\$ 284	\$ 196	\$ 215	\$ 217	\$ 238
2	5	5	8	9	12	10	6	7	7	7	2.4	1.7	3.1	0.8	99.2	34.5	66.5	66.5	67.3	67.4	\$ 168	\$ 102	\$ 278	\$ 293	\$ 290	\$ 222	\$ 196	\$ 214	\$ 214	\$ 215
3	7	5	9	9	11	10	5	8	20		1.9	2.1	2.7	0.4	74.8	74.3	149.4	74.4	73.9		\$ 169	\$ 102	\$ 313	\$ 293	\$ 280	\$ 267	\$ 179	\$ 232	\$ 214	
4	9	7	9	10	10	10	7	7	7		4.3	14.6	2.5	26.8	72.8	71.4	123.0	101.9	88.3		\$ 244	\$ 151	\$ 295	\$ 338	\$ 268	\$ 266	\$ 267	\$ 245	\$ 231	
5	24	27	15	37	23	26	14	13	16		240.6	368.8	5.5	650.7	409.5	583.1	253.4	531.3	430.5		\$ 1,040	\$ 1,241	\$ 673	\$ 2,292	\$ 222	\$ 1,157	\$ 552	\$ 454	\$ 746	
6	45	39	38	48	36	42	30	28	34		1,291.0	1,083.5	896.5	2,164.7	1,359.0	1,873.7	896.1	1,664.7	1,597.5		\$ 2,909	\$ 2,503	\$ 2,724	\$ 4,210	\$ 2,229	\$ 2,862	\$ 1,581	\$ 1,532	\$ 2,597	
7	47	50	50	51	47	49	36	30	36		1,350.7	1,387.3	2,898.2	1,907.3	2,157.2	2,459.6	1,583.2	1,725.4	2,038.1		\$ 3,012	\$ 3,162	\$ 5,276	\$ 3,907	\$ 3,241	\$ 3,667	\$ 1,888	\$ 3,393	\$ 3,066	
8	48	46	47	54	53	53	37	36	35		1,530.4	2,207.7	2,829.6	2,885.7	3,009.0	2,863.3	1,810.4	2,299.0	1,590.0		\$ 3,243	\$ 3,299	\$ 5,013	\$ 4,597	\$ 4,301	\$ 4,205	\$ 2,014	\$ 2,178	\$ 2,628	
9	46	53	48	56	54	52	37	36	35		1,226.4	1,726.4	2,705.8	2,544.3	3,150.0	2,784.4	1,772.5	2,042.9	1,878.6		\$ 2,820	\$ 3,700	\$ 4,900	\$ 4,780	\$ 4,564	\$ 4,116	\$ 2,035	\$ 2,131	\$ 2,989	
10	42	41	29	44	43	44	20	20	22		606.2	1,688.6	1,419.9	1,370.4	1,785.5	1,480.9	726.4	918.5	1,044.6		\$ 1,543	\$ 3,202	\$ 2,374	\$ 3,147	\$ 2,817	\$ 2,373	\$ 784	\$ 962	\$ 1,702	
11	12	18	14	11	18	7	14	12	16		214.1	259.7	203.3	90.6	270.1	154.4	168.2	222.7	242.3		\$ 488	\$ 737	\$ 634	\$ 1,081	\$ 620	\$ 317	\$ 436	\$ 475	\$ 565	
12	5	10	12	22	14	8	8	8	9		4.4	3.7	2.1	474.9	89.5	74.6	148.3	75.4	83.0		\$ 170	\$ 249	\$ 392	\$ 973	\$ 353	\$ 904	\$ 316	\$ 233	\$ 258	
	42	43	38	48	43	44	29	27	30		6,474.8	8,745.8	10,973.5	12,118.3	12,592.1	12,528.4	7,771.2	9,797.4	9,210.6	164.3	\$ 15,974	\$ 18,548	\$ 23,001	\$ 26,221	\$ 19,520	\$ 20,641	\$ 10,445	\$ 12,264	\$ 15,428	\$ 452
	Averages										Totals										Totals									



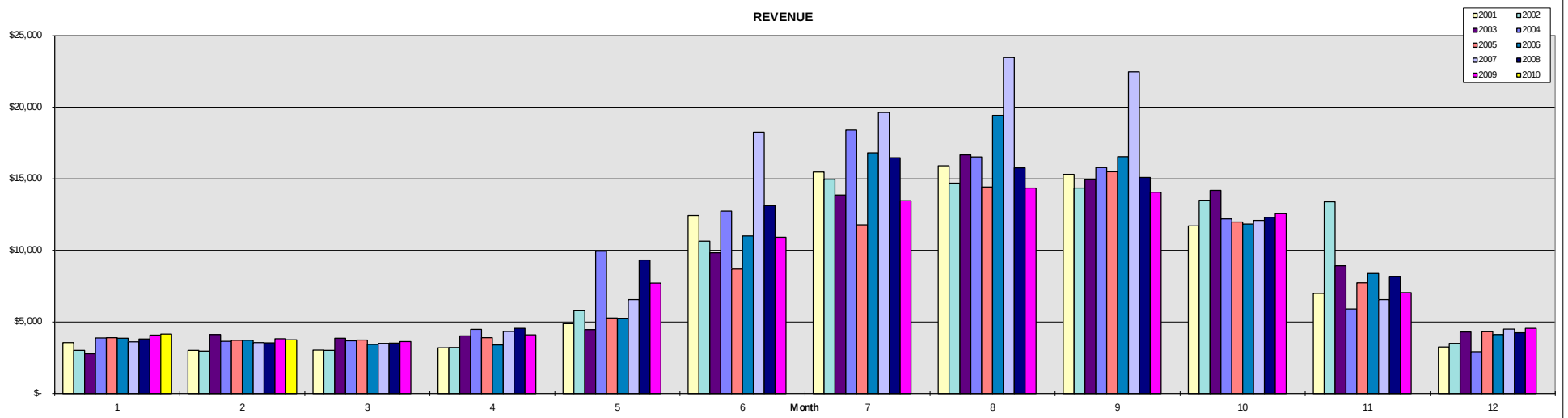
BANGOR DITCH WATER CONSUMPTION: 2000 - 2009

	Customers										Volume (x 1,000 cf)										Revenue									
Month	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1	166	169	153	166	183	157	159	163	173	175	859.72	346.08	117.70	298.02	783.28	999.46	724.20	842.00	948.91	993.91	\$ 3,568	\$ 3,026	\$ 2,781	\$ 3,888	\$ 3,896	\$ 3,866	\$ 3,620	\$ 3,806	\$ 4,086	\$ 4,158
2	143	168	171	164	163	155	157	158	164	168	361.76	293.68	266.06	154.00	663.21	844.31	669.71	631.89	818.69	671.99	\$ 3,020	\$ 2,961	\$ 4,122	\$ 3,650	\$ 3,729	\$ 3,730	\$ 3,556	\$ 3,541	\$ 3,835	\$ 3,759
3	163	168	169	164	163	153	160	160	164		372.62	97.02	133.18	132.34	720.10	643.28	645.28	620.43	674.56		\$ 3,033	\$ 3,018	\$ 3,860	\$ 3,682	\$ 3,741	\$ 3,441	\$ 3,513	\$ 3,525	\$ 3,637	
4	165	174	168	178	170	152	171	173	179		487.16	431.74	187.56	522.04	708.38	605.38	1,176.41	1,402.61	909.53		\$ 3,206	\$ 3,219	\$ 4,034	\$ 4,479	\$ 3,904	\$ 3,400	\$ 4,332	\$ 4,559	\$ 4,102	
5	191	204	184	212	187	192	198	213	215		1,674.56	2,480.72	288.72	5,044.56	1,915.86	1,689.26	2,877.85	5,377.98	3,817.34		\$ 4,883	\$ 5,786	\$ 4,464	\$ 9,950	\$ 5,274	\$ 5,263	\$ 6,556	\$ 9,335	\$ 7,720	
6	211	216	212	219	212	217	223	217	229		8,703.04	6,959.76	4,964.58	7,615.46	4,708.74	6,759.58	13,677.09	8,852.45	6,589.73		\$ 12,439	\$ 10,641	\$ 9,842	\$ 12,741	\$ 8,689	\$ 11,012	\$ 18,261	\$ 13,123	\$ 10,921	
7	216	223	220	241	219	218	227	230	229		11,582.04	11,067.80	8,588.32	12,886.23	7,522.74	12,410.45	14,958.77	10,229.44	9,009.45		\$ 15,467	\$ 14,963	\$ 13,871	\$ 18,402	\$ 11,780	\$ 16,807	\$ 19,641	\$ 16,476	\$ 13,476	
8	219	227	220	229	226	222	227	226	239		11,999.64	10,774.98	11,602.54	11,088.18	9,961.04	14,843.95	18,647.25	11,273.23	9,695.74		\$ 15,918	\$ 14,707	\$ 16,675	\$ 16,533	\$ 14,425	\$ 19,431	\$ 23,465	\$ 15,758	\$ 14,358	
9	220	226	221	226	223	225	227	235	238		11,423.02	10,348.92	9,755.90	10,421.12	10,981.46	11,988.86	17,226.77	10,452.92	9,406.75		\$ 15,307	\$ 14,357	\$ 14,926	\$ 15,787	\$ 15,496	\$ 16,535	\$ 22,473	\$ 15,090	\$ 14,060	
10	215	219	216	216	221	218	213	223	231		7,999.32	8,768.44	9,115.18	7,235.44	7,757.52	7,617.21	8,000.91	8,021.02	8,121.09		\$ 11,707	\$ 13,508	\$ 14,196	\$ 12,207	\$ 11,990	\$ 11,845	\$ 12,099	\$ 12,319	\$ 12,572	
11	195	199	196	182	185	196	183	204	201		3,808.04	9,929.70	4,545.10	1,943.22	4,363.88	4,658.00	3,146.31	4,399.09	3,293.95		\$ 6,995	\$ 13,400	\$ 8,930	\$ 5,912	\$ 7,743	\$ 8,379	\$ 6,562	\$ 8,184	\$ 7,041	
12	173	178	172	176	165	174	175	180	186		537.32	718.90	548.50	1,022.73	1,286.40	1,106.82	1,342.71	978.35	1,192.89		\$ 3,261	\$ 3,510	\$ 4,298	\$ 2,930	\$ 4,314	\$ 4,119	\$ 4,500	\$ 4,239	\$ 4,563	
	190	198	192	198	193	190	193	199	204		59,808.24	62,217.74	50,113.34	58,363.33	51,372.61	64,166.58	83,093.25	63,081.42	54,478.63	1,665.90	\$ 98,806	\$ 103,095	\$ 102,000	\$ 110,160	\$ 94,980	\$ 107,827	\$ 128,578	\$ 109,955	\$ 100,370	\$ 7,917
	Averages										Totals										Totals									

VOLUME

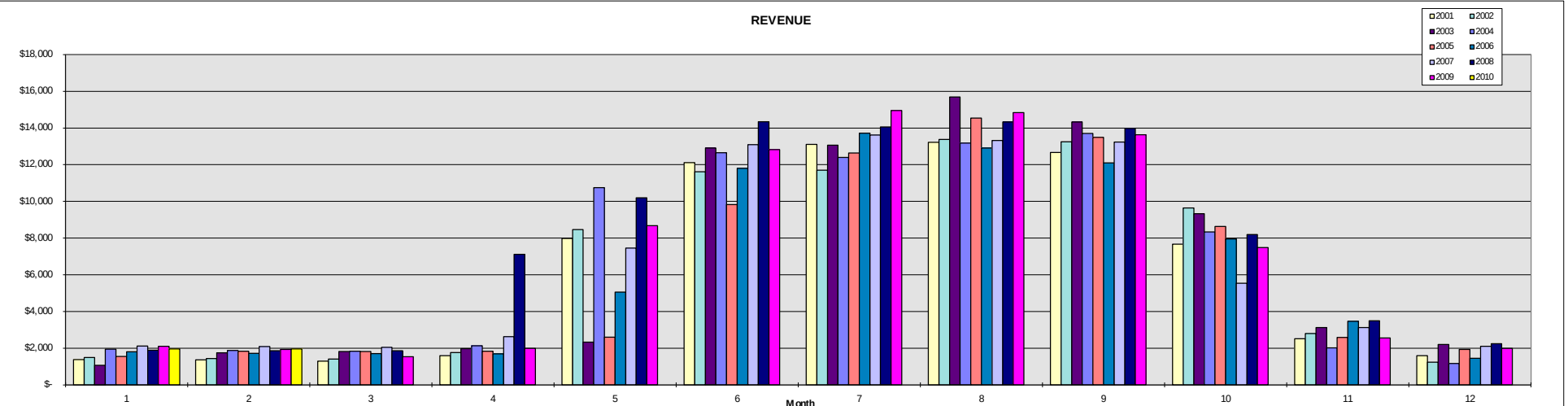
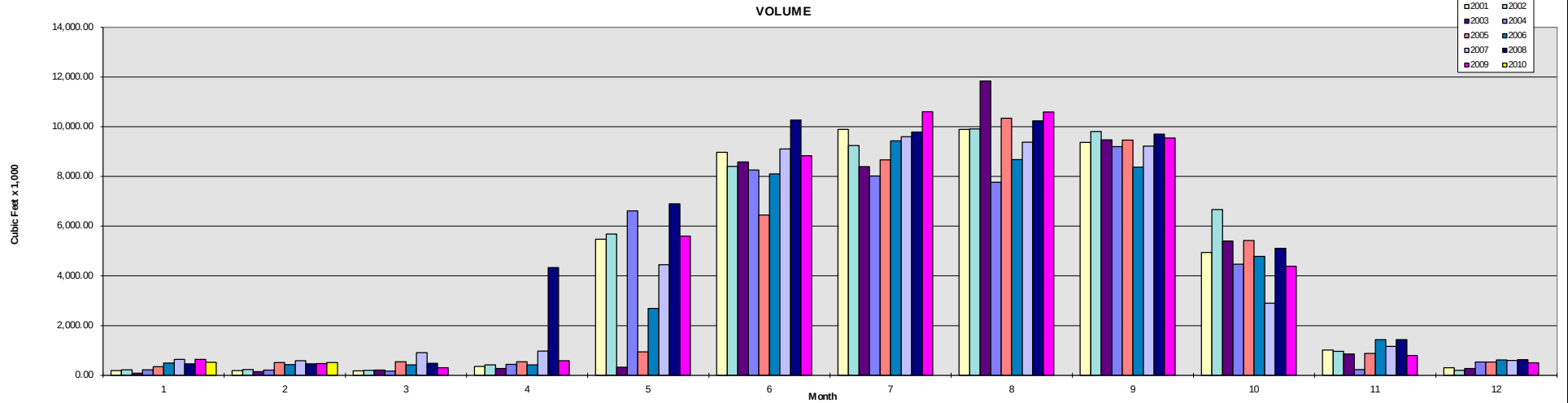


REVENUE



PALERMO DITCH WATER CONSUMPTION: 2000 - 2009

Month	Customers										Volume (x 1,000 c)										Revenue										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	
1	70	78	56	75	71	71	80	80	80	79	189.36	220.22	84.60	219.66	342.90	491.02	636.15	467.73	638.54	524.34	\$ 1,380	\$ 1,491	\$ 1,067	\$ 1,945	\$ 1,548	\$ 1,811	\$ 2,124	\$ 1,898	\$ 2,100	\$ 1,964	
2	70	76	73	72	68	69	79	76	78	77	187.48	230.52	148.02	208.66	519.50	426.59	586.00	466.70	474.43	518.60	\$ 1,370	\$ 1,435	\$ 1,746	\$ 1,881	\$ 1,828	\$ 1,728	\$ 2,095	\$ 1,860	\$ 1,932	\$ 1,960	
3	68	76	74	72	68	70	79	76	70		180.76	197.06	206.80	169.64	546.35	420.94	916.98	486.41	308.81		\$ 1,296	\$ 1,412	\$ 1,825	\$ 1,839	\$ 1,824	\$ 1,714	\$ 2,043	\$ 1,866	\$ 1,539		
4	73	86	76	72	68	69	89	150	79		354.76	417.56	275.42	444.95	549.72	422.94	973.82	4,331.96	593.43		\$ 1,600	\$ 1,766	\$ 1,976	\$ 2,126	\$ 1,838	\$ 1,689	\$ 2,636	\$ 7,122	\$ 1,991		
5	157	175	86	185	88	125	159	174	163		5,476.48	5,682.40	323.98	6,617.18	941.42	2,695.41	4,445.04	6,901.03	5,598.44		\$ 7,980	\$ 8,465	\$ 2,336	\$ 10,754	\$ 2,606	\$ 5,056	\$ 7,460	\$ 10,203	\$ 8,682		
6	191	205	196	199	175	188	202	205	204		8,965.98	8,406.36	8,581.26	8,260.96	6,450.06	8,099.80	9,103.04	10,264.94	8,829.84		\$ 12,111	\$ 11,617	\$ 12,902	\$ 12,650	\$ 9,832	\$ 11,800	\$ 13,087	\$ 14,335	\$ 12,817		
7	199	204	214	198	202	200	204	219	221		9,891.16	9,241.96	8,396.05	8,020.61	8,669.57	9,433.97	9,592.59	9,783.62	10,598.90		\$ 13,104	\$ 11,704	\$ 13,069	\$ 12,389	\$ 12,637	\$ 13,723	\$ 13,612	\$ 14,055	\$ 14,945		
8	206	215	219	206	209	263	201	207	215		9,890.66	9,912.98	11,834.39	7,764.92	10,344.43	8,680.54	9,372.64	10,238.86	10,589.77		\$ 13,227	\$ 13,375	\$ 15,693	\$ 13,173	\$ 14,545	\$ 12,901	\$ 13,326	\$ 14,322	\$ 14,832		
9	200	212	217	196	201	190	205	219	208		9,364.84	9,801.94	9,473.72	9,199.26	9,462.04	8,377.17	9,218.87	9,706.46	9,540.67		\$ 12,663	\$ 13,247	\$ 14,330	\$ 13,699	\$ 13,495	\$ 12,098	\$ 13,235	\$ 13,975	\$ 13,634		
10	169	187	173	172	165	166	144	163	164		4,944.42	6,665.24	5,406.14	4,468.28	5,425.76	4,780.99	2,900.42	5,106.18	4,388.30		\$ 7,664	\$ 9,642	\$ 9,324	\$ 8,331	\$ 8,640	\$ 7,957	\$ 5,544	\$ 8,194	\$ 7,480		
11	98	142	102	79	91	109	109	112	95		1,019.00	963.32	862.74	227.80	883.35	1,438.40	1,168.79	1,441.04	794.98		\$ 2,517	\$ 2,799	\$ 3,130	\$ 2,024	\$ 2,587	\$ 3,465	\$ 3,128	\$ 3,498	\$ 2,562		
12	79	76	84	75	75	82	85	90	82		301.30	197.90	272.54	539.79	538.60	619.19	594.79	632.75	501.08		\$ 1,597	\$ 1,236	\$ 2,203	\$ 1,171	\$ 1,938	\$ 1,445	\$ 2,111	\$ 2,251	\$ 1,992		
	132	144	131	133	123	134	136	148	138		50,766.20	51,937.46	45,865.66	46,141.72	44,673.70	45,886.96	49,509.13	59,827.69	52,857.20	1,042.94	\$ 76,508	\$ 78,188	\$ 79,600	\$ 81,984	\$ 73,318	\$ 75,386	\$ 80,401	\$ 93,579	\$ 84,506	\$ 3,924	
	Averages										Totals										Totals										





SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Kathy Zancanella, Power Division Manager

DATE: March 17, 2010

RE: General Information (regarding matters not scheduled on agenda)
3/23/10 Board of Directors Meeting

Operations

Attached for your information is the Storage and Generation Report for February 2010. Also attached is a chart showing precipitation as of March 17. Based on the Pilot Peak snow data and current reservoir storage, Little Grass Valley reservoir should come within 15,000 acre-feet of filling, or nine feet below maximum elevation, if no additional precipitation falls. To capture as much inflow as possible, the spill gates at Little Grass Valley were closed on March 15. DWR's March Bulletin 120 forecast indicates 73% percent of average April–July runoff for the South Fork Feather River, and 79% of average for the Feather River overall.

2010 Water Transfer

The State Water Resources Control Board issued the public notice for the transfer to San Diego County Water Authority on March 8 and it was published in the local papers on March 11. Public comments on the transfer are due on April 12, 2010. On March 15, Mike Glaze and I met with DWR staff to discuss the 2008 transfer and 2009 refill and repayment of the impact account balance as it potentially affects the current transfer, and DWR appears to be poised to block the 2010 transfer by requiring that the combined storage in Little Grass Valley and Sly Creek be drawn down to 40,000 acre-feet.

Maintenance Projects

Sly Creek Outage

The outage at Sly Creek started on March 1 and the unit was returned to service on March 12. Henry Reeson, Bob Cherry and John Davis spent some time going through the governor system and correcting the pressure regulator valve operation. The crew checked the shaft coupling nuts and retightened them. The air



valves on the penstock were removed for inspection and the floats inside were sent out to be powder-coated, while much of the rest of the penstock valve chamber was repainted.

Sly Creek Dam Crest Modification Project

On March 11, representatives from AECOM, Teichert Construction, FERC, DSOD, and SFWPA met with Independent Consultant Wayne Edwards and Independent Facilitator Bill Rettberg to develop a construction-specific emergency action plan and potential failure modes analysis in compliance with FERC requirements. Two new potential failure modes were identified, one during construction and one after completion, although neither were considered “highlighted.”

General Information

Employee Milestone

Nick Brandt and Guy Mastelotto were hired at the Agency on March 11, 1985 as utility workers. Nick claims a few minutes seniority as he showed up at work first that day. They both subsequently held the positions of ditch tender and equipment operator before coming to Power Division as operators-in-training, and both are now roving operators. The Power Division crew celebrated their 25-year anniversary on March 17 with a barbeque lunch.



PG&E Contract Discussion

On March 2, Scott Underhill and I met with representatives from several departments at PG&E to discuss operations communications under the new power purchase agreement. We provided information that should clarify their understanding of how the powerhouses operate under a variety of hydrologic conditions. We learned that communications within PG&E itself is complicated by multiple departments handling similar duties, and that, as PG&E continues to reorganize itself, we have to be careful not to assume that Agency communications to one group of employees – namely Fresno Operating Center – are communicated throughout the other organizations.

GOES and a Visit to NID

We initiated a consulting services agreement with Mark Heggli of Innovative Hydrology for services related to purchasing and installing the GOES satellite telemetry equipment this year. Mark will also provide training for the Agency's new hydrographer on the system.

In order to better understand what GOES looks like before it is installed, Art Martinez, Matt Colwell, Eddie Paul, Brian Howerton and I paid a visit to Nevada Irrigation District's hydrographer, Jessica Erickson, on March 16. Jessica showed us her office setup and GOES web interface, and took us to two of her field sites, one at Dutch Flat and the other below Rollins Reservoir on the Bear River. Jessica will be assisting with training Eddie Paul in some of the field activities by having him accompany her on some of her site visits.

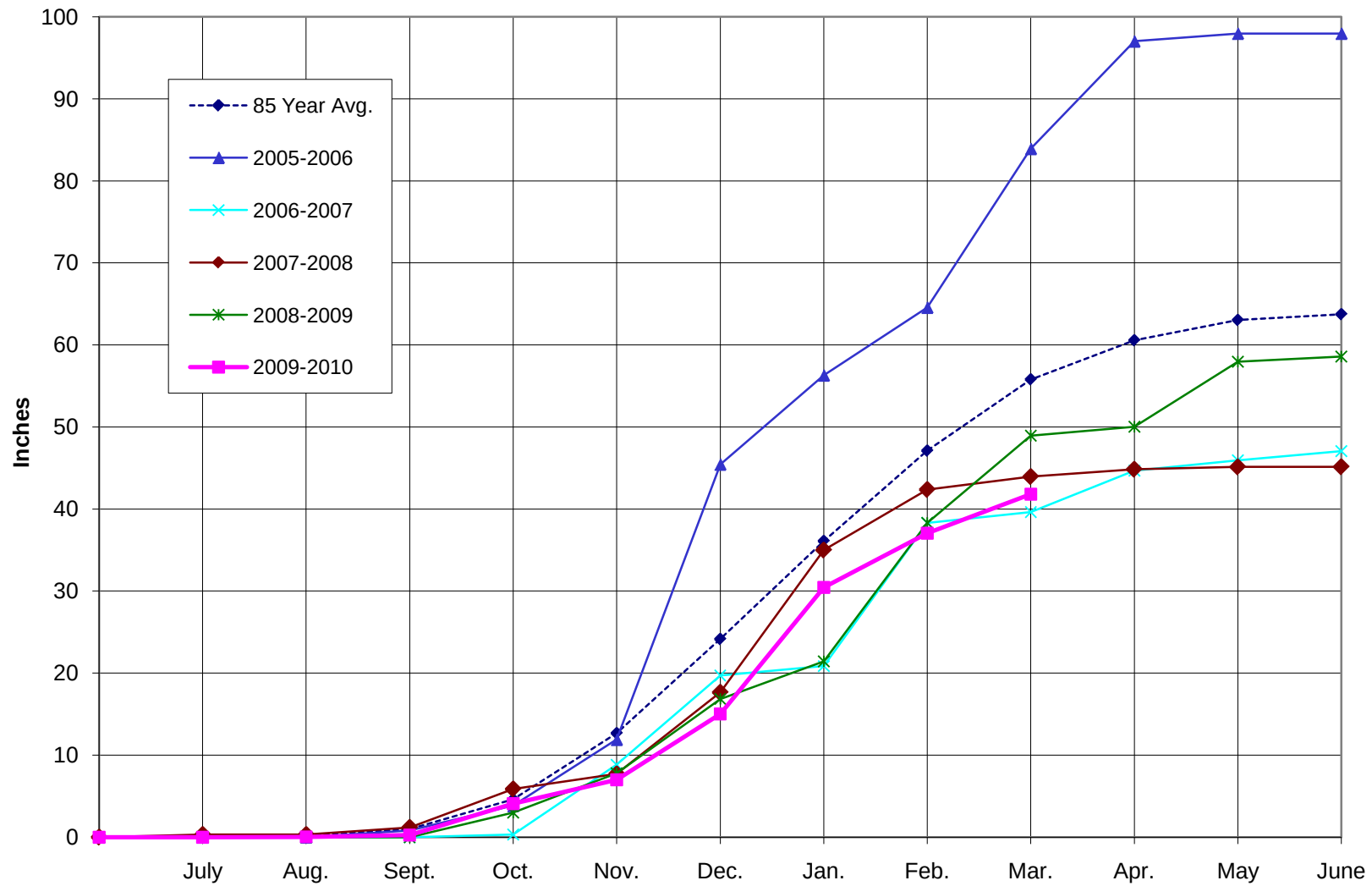
SOUTH FEATHER WATER AND POWER
SOUTH FEATHER POWER PROJECT
February 2010
STORAGE

RESERVOIR	MAXIMUM CAPACITY	STORAGE ON 2-28-10	STORAGE ON 2-28-09
Little Grass Valley	89,804 AF	45,327 AF	48,357 AF
Sly Creek	64,338 AF	22,969 AF	32,896 AF
Lost Creek	5,361 AF	4,560 AF	4,776 AF
Forbestown Diversion	352 AF	292 AF	352 AF
Ponderosa	4,178 AF	3,621 AF	3,527 AF
Miners Ranch	896 AF	688 AF	759 AF
TOTAL	164,929 AF	77,457 AF	90,667 AF
Slate Creek Tunnel	800 CFS	326 CFS	423 CFS
South Fork Tunnel	600 CFS	113 CFS	174 CFS
Miners Ranch Canal	303 CFS	251 CFS	250 CFS

MONTHLY NET GENERATION

	FOR February 2010	YEAR TO DATE ON 2-28-10	YEAR TO DATE ON 2-28-09
Woodleaf P.H.	13,169,520 KWH	20,448,600 KWH	11,030,400 KWH
Forbestown P.H.	8,380,670 KWH	13,264,460 KWH	5,156,330 KWH
Kelly Ridge P.H.	5,460,533 KWH	10,654,881 KWH	8,418,990 KWH
Sly Creek P.H.	1,383,900 KWH	1,818,600 KWH	884,100 KWH
TOTAL	28,394,623 KWH	46,186,541 KWH	25,489,820 KWH

South Feather Power Project - Forbestown Precipitation





SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Alex C. Brown, Regulatory Compliance Manager

DATE: March 17, 2010

RE: General Information (regarding matters not scheduled on agenda)
3/23/10 Board of Directors Meeting

Dam Safety and Security

Emergency Action Plan Time Sensitivity Analysis

Per the request of the Federal Energy Regulatory Commission (FERC), SFWPA has completed a Time Sensitivity Analysis of the Emergency Action Plans for Little Grass Valley, Sly Creek and Lost Creek Dams. Further such analysis of Miners Ranch Dam is to follow in April. The goal of this analysis is to ensure the effectiveness of SFWPA's Emergency Action Plans. This analysis was based on the Sudden Failure Assessment, a method of calculating the time allotted for notification of non-project facilities and the response time to these facilities by Emergency Management Agencies, such as CalFIRE and the Butte County Sherriff.

Vulnerability Analysis

FERC has made changes to security classifications of FERC-project features (dams) throughout the country. These changes have necessitated a review and updating of the appropriate assessments and plans for the critical infrastructure of SFWPA. These assessments and plans may include a Vulnerability Assessment, Security Assessment, Security Plan, Internal Emergency Response and Recovery Plan, and annual certification letters as needed. Previous security analysis of the SFWPA dams was developed by FERC after the terrorist attacks on September 11, 2001. The new guidelines address more security issues, and concerns which may be of interest to dam owners in rural settings. Training will include a discussion of the security grouping changes, new security requirements, and use of FERC software in the security analysis of dams. In order to better facilitate the formulation and approval of these assessments and plans I will be attending one-day training with FERC at its Portland office.

Stability Analysis of Slate Creek Dam

An evaluation of sediment loading and associated structural stability of Slate Creek Diversion Dam (SCDD) has been requested by FERC. SFWPA is currently seeking a qualified structural engineer to provide this required analysis.

Under FERC'S dam safety program, annual dam safety operations inspections of the dams of SFWPA, including SCDD, are performed. These inspections typically result in recommendations to improve the understanding of factors that might affect performance of the dams. Based on the 2009 dam safety and operations inspections, FERC recommended that the structural stability of SCDD be evaluated for loading appropriate to the current sedimentation.



SCDD is operated by SFWPA to divert water from the Slate Creek watershed (Yuba River basin) to Sly Creek Reservoir (Feather River basin) for hydropower production purposes. Much of SCDD impoundment is filled with cobble, gravel, sand, and silt. The high rate of sedimentation is related to past hydraulic mining in the upstream source area. Delivery of material from upstream hydraulic mine sites and aggraded channel reaches to the SCDD impoundment was exacerbated in the 1950's by the breaching of the St. Louis Debris Dam, located approximately one mile upstream of SCDD on Forest Service-owned land. Sediment pass-through events have been attempted in 2002, 2003, 2004 and 2005. Most of these events were unsuccessful at moving any significant amount of sediment due to hydraulic conditions at the dam. The build-up of sediment and the upstream face places a potentially higher-than-desirable structural load on SCDD.

A Request for Proposal has been delivered to several firms that routinely perform structural analysis of dams. Work tasks include determination of original structural loading capacity of SCDD, field investigations, structural stability analysis, and the preparation of a report of findings for review by SFWPA and to be filed with FERC.

Recreation

2010 Recreation Season

The 2010 recreation season is quickly approaching for SFWPA facilities. This year SFWPA will continue operating Sly Creek and Strawberry campgrounds, but will not yet be responsible for the recreational facilities around Little Grass Valley Reservoir (this will not occur until the new FERC license is issued). Sly Creek Reservoir campgrounds will be closed during this season due to the Sly Creek Dam crest raise project. Strawberry campground and car-top boat launch will remain open. SFWPA will assume the responsibility of operations of Little Grass Valley Campgrounds in the 2011 recreation season.



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Matt Colwell, Water Division Manager

DATE: March 18, 2010

RE: General Information (regarding matters not scheduled on agenda)
3/23/10 Board of Directors Meeting

Senate Bill No. 7

On March 8, the California Department of Water Resources and the California Urban Water Conservation Council hosted a "Public Listening Session" regarding the implementation of the 2009 Water Conservation Act. The public process was intended to provide DWR with public views and feedback on the technical methodologies and water-use target methods not yet developed that is a required part of the legislation. DWR is legislatively tasked with developing the daily per capita water usage that will be used as the basis for implementing the 20% conservation goal by 2020.

I attended that meeting and provided some feedback from SFWPA's perspective. It was reassuring that the legislation and implementation of the legislation was discussed by additional viewpoints from ACWA member agencies other than large municipal agencies primarily in southern California. It appears that a representative from Irvine Ranch Water District was very instrumental in writing the legislation for Senator Steinberg and she was very responsive to many of the comments and suggestions discussed at the meeting.

Placer County Water Agency's Director of Strategic Affairs, Einar Maisch, was instrumental in presenting alternatives, other than the legislative mandate, that could potentially be less costly and less imposing to SFWPA and similar regional water agencies (northern California, abundant water supplies, with significant investment in water conservation).

I will continue to evaluate the potential impact to SFWPA through efforts to implement water conservation goals consistent with the Act. I am encouraged that regionally there is a voice speaking for potentially less-imposing methods of meeting the legislative mandate.

Water Distribution Operations

Water Division staff have been accomplishing normal water system operation and maintenance tasks. Ongoing projects include irrigation and domestic distribution system betterments, new service installations, and leak repairs.

The Agency irrigation system current releases are:

Forbestown Ditch SF 14 = 0 cfs
 SFWPA = 0 cfs
 NYWD = 0 cfs
 Bangor Canal SF 25 = 5 cfs
 Palermo Canal = 0 cfs

Water Treatment Operations

The Miners Ranch Treatment Plant (MRTP) volumes for 2010 continue to run below average as a result of wetter-than-normal precipitation. The cumulative January and February volume is at 93% of the recent five-year average. The table at right shows the monthly minimum and maximum flow rates.

Miners Ranch February 2010 Production	
Total	61.3 Million Gallons
High	2.4 MGD
Low	2.0 MGD
Avg.	2.2 MGD

The first quarter of 2010 lab results are presented in the following table. As anticipated, our water disinfection by-products are very low and overall water quality remains high.

TTHMs (Total Trihalomethanes)	MCL = 80 ppm	MRTP = 19.3 ppm	By-product of drinking water chlorination	Some people who drink water containing trihalomethanes in excess of the MCL over many years may experience liver, kidney, or central nervous system problems, and may have an increased risk of getting cancer.
Haloacetic Acids	MCL = 60 ppm	MRTP = 2.0 ppm	By-product of drinking water disinfection	Some people who drink water containing haloacetic acids in excess of the MCL over many years may have an increased risk of getting cancer.



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Michael Glaze, General Manager

DATE: March 17, 2010

RE: General Information (regarding matters not scheduled on the agenda)
3/23/10 Board of Directors Meeting

Relicensing

The CEQA Initial-Study/Mitigated-Negative-Declaration documents, Notice of Intent, and Notice of Completion forms were submitted to the State Clearinghouse on February 1st, which started a 30-day public comment period on the Agency's Water Quality Certification process at the State Water Resources Control Board. Subsequently, at the request of the California Department of Fish & Game, I authorized a two-week extension on the comment period. Now that the comment period is over, comments were received from three agencies: Department of Water Resources, Department of Fish & Game, and State Water Contractors/Metropolitan Water District.

The comments will be reviewed to determine if the record of our environmental review covers the issues raised by the comments. A determination will be made as to whether the comments support a fair argument of a significant impact and, if so, a formal response to the comment will be prepared.

Once this analysis by staff and consultants is complete, a recommendation will be made to the Agency's Board of Directors regarding adoption of the Mitigated Negative Declaration that was initially proposed.

Surplus Water Agreements

An application for surplus water has been received from and approved for Pacific Coast Producers (from the Palermo Canal). This is a long-term surplus-water customer and the agreement is a carbon copy of previous years. It has been approved in conformance with Policy #480.



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Michael Glaze, General Manager

DATE: March 18, 2010

RE: Conveyance of Right of Way – Olive Highway
Agenda Item for 3/23/10 Board of Directors Meeting

CalTrans is planning on widening Olive Highway and installing traffic signals at its intersection with Kelly Ridge Road and Miners Ranch Road. To have adequate sight distance for vehicles traveling westbound and approaching that intersection, a sliver of Agency land is needed adjacent to and on the north side of Olive Highway (below Miners Ranch Reservoir Dam).

Attached is a "Right of Way Contract – State Highway" which would accomplish the conveyance requested by CalTrans. Exhibit A of that contract provides a graphical description of the 0.125 ac. sliver of land being requested. CalTrans is offering to pay \$7,200 for the conveyance, and the appraisal prepared by CalTrans explaining the basis for the offer is also attached.

CalTrans has asked the Agency to consider donating the land and not taking the offered compensation. If there is consideration by the Board for a donation, Jeff Meith may have advice regarding whether such a donation would constitute an inappropriate gift of public funds. He had not yet been asked for his opinion regarding this issue at the time this memo was written. The last attached contract would be the one used in the case of a donation.

A CalTrans representative will be at the meeting to answer questions.

The requested action is:

"I move authorization for the Board President and Secretary to execute the contract to convey [for the offered compensation] [as a donation] a portion of the Agency's property identified as APN 072-050-002 and 004 to the State of California to facilitate the reconstruction of Olive Highway at its intersection with Kelly Ridge Road, subject to CalTrans' agreement that the functionality of Agency facilities existing within the Olive Highway right of way be accommodated and maintained by CalTrans in conjunction with said highway widening and signalization project."

**RIGHT OF WAY CONTRACT
STATE HIGHWAY**

RW 8-3 (Rev. 6/95)

CONFIDENTIAL

This document contains personal information, and pursuant to Civil Code 1798.21, it shall be kept confidential in order to protect against unauthorized disclosure.

Page 1 of 3

APN 072-050-004

District	County	Route	P.M.	E. A.	Program	Fed. Ref.	Name	Parcel
03	BUT	162	22.8	0F6402	35922		South Feather Water & Power	35922-1

_____, California

_____, 2009

South Feather Water & Power

Grantor

RIGHT OF WAY CONTRACT -- STATE HIGHWAY

Document No. 35922-1 in the form of a (Grant) Deed to the State of California, outlined on the attached map marked Exhibit A and covering the property particularly described in Clause 3 below, has been executed and delivered to LOUIS BIRD, Right of Way Agent for the State of California.

In consideration of which, and the other considerations hereinafter set forth, it is mutually agreed as follows:

1. The parties have herein set forth the whole of their agreement. The performance of this agreement constitutes the entire consideration for said document and shall relieve the State of all further obligation or claims on this account, or on account of the location, grade or construction of the proposed improvement.
2. The State shall pay the undersigned Grantor the sum of \$7,200.00 for this acquisition.
3. It is agreed and confirmed by the parties hereto that notwithstanding other provisions in the contract, the right of possession and use of the subject property by the State, including the right to remove and dispose of any improvements, shall commence on 3/31/09, or the close of the escrow controlling this transaction, whichever occurs first, and that the amount shown in Clause 2 herein includes, but is not limited to, full payment for such possession and use, including damages, if any, from said date.
4. The undersigned Grantor warrants that he is the owner in fee simple of the property affected by this acquisition as described in Clause 3 above and that he has the exclusive right to grant these rights.
5. Grantor warrants that there are no oral or written leases on all or any portion of the property exceeding one month, and the Grantor agrees to hold the State harmless and reimburse State for any and all its losses and expenses occasioned by reason of any lease of said property held by any tenant of Grantor for a period exceeding one month. Grantor acknowledges that a quitclaim deed will be required from any lessee that has a lease term exceeding one month. Said quitclaim deed is to be provided to State prior to the close of escrow.

-
6. In consideration of the State's waiving the defects and imperfections in all matters of record title, the undersigned Grantor covenants and agrees to indemnify and hold the State of California harmless from any and all claims that other parties may make or assert on the title to the premises. The Grantor's obligation herein to indemnify the State shall not exceed the amount paid to the Grantor under this contract.
 7. It is understood and agreed by and between the parties hereto that payment as provided in clause 2 includes, but is not limited to, payment for any and all damages, and any and all damages which may accrue to the Grantors' remaining property by reason of its severance from the property conveyed herein and the construction and use of the proposed highway project, including, but not limited to, any expense which Grantors may incur in restoring the utility of their remaining property.
 8. It is understood and agreed by and between the parties hereto that this Agreement inures to the benefit of, and is binding on, the parties, their respective heirs, personal representatives, successors, and or assignees.
 9. State agrees to indemnify the hold harmless Grantor from any liability arising out of State's operations under this agreement. State further agrees to assume responsibility for any damages proximately caused by reason of State's operations under this agreement and State will, at it option, either repair or pay for such damage.
 10. This transaction shall be handled through an internal escrow by the State of California, Department of Transportation, District, P.O. Box 911 Marysville, CA 95901
 11. It is understood and agreed that to complete this transaction, sufficient funds must be made available to the State by the California State Legislature; therefore, the close of escrow may be delayed until sufficient funds are appropriated. It is further understood that, in the event the transaction funds have not been deposited into escrow within 120 days of the States execution of this agreement, either party may cancel the agreement at any time subsequent to the expiration of the 120 days by giving written notice to the non-canceling party. Written notice shall be delivered by first class mail as follows: 2800 Gateway Oaks Drive, Suite #100, Sacramento , CA 95833. The parties further agree that they will not institute a claim or legal action to seek damages, costs, fees, interest, or any other remedies associated with either delay of escrow or the cancellation of this contract, and that cancellation is the sole remedy in the event either party exercises its rights under this clause.
-

In Witness Whereof, the Parties vested have executed this agreement the day and year first above written.

South Feather Water & Power DATE
Grantor

South Feather Water & Power DATE
Grantor

RECOMMENDED FOR APPROVAL:

ACCEPTED:

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By

LOUIS BIRD
Right of Way Agent
Marysville

By

BRUCE WILSON
Senior Right of Way Agent
Marysville

APPRAISAL TITLE PAGE

7-EX-21A (REV 10/2005)

(Form #)

Fed. Project Number:

1	03	BUT	162	22.8	0F6401	0F6409	20.10.201.010
Report	Reg/Dist	Co	Rte	KP (P.M.)	Control E.A.	R/W E. A. (PH9)	Program

Frwy Agmt.	Env. Clear.	Appraisal	FY Acquisition	Certification	FY Const.
N/A	10/14/09	#1	2010	1/1/10	

Project Limits: Fee is needed to construct signal light and reconfigure lanes on State Highway 162 near the intersection of Kelly Ridge road and Miners ranch road.

Type of Road and Title Required: FEE

District Approved Parcels:

New: Revised: 0

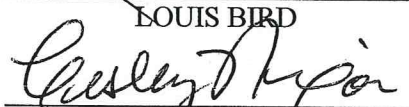
The Non Complex Valuation(s) contained herein are confidential and have been prepared for Department use only as a step in the eminent domain process upon which to base offers of settlement.

The undersigned has made the determination of just compensation of the property contained herein and recommends approval of this report:

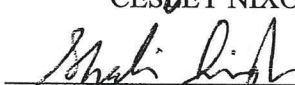
Appraiser, Right of Way Agent


LOUIS BIRD

Appraiser, Associate Right of Way Agent


CESSLEY NIXON

Calculations, content, and arrangement
verified by:


SHALVIN SINGH

The undersigned has reviewed and approves or recommends approval of this report and certifies that the requirements of the R/W Manual have been met.


BRUCE WILSON

Senior Right of Way Agent
Marysville

Date 2/13/10

SENIOR REVIEW CERTIFICATE – APPRAISAL

(Form #)

EXHIBIT

7-EX-24 (NEW 10/2005)

REG/DIST 03	CO BUT	RTE 162	KP (P.M.) 22.8	EXP AUTH 0F6402	AR# 1
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SENIOR REVIEW CERTIFICATE – APPRAISAL

1. I ☒ have ☐ have not personally inspected the subject property and comparable data. I have read this report and I am satisfied with the relative comparability noted. I am familiar with the subject property neighborhood and general area and I have relied upon the photographs and exhibits in this report in analyzing and concurring with the conclusions contained herein.
2. The highest and best use of each property, as shown in the report, is reasonable and proper.
3. Gross Income Multipliers are ☐ supported with factual data. ☒ Not applicable.
4. The Cost Approach is ☐ supported by data from recognized sources. ☒ Not applicable.
5. The Income Approach to value, including the interest rates, is ☐ supported by data from the market. ☒ Not applicable.
6. Damages, Benefits and Construction Contract Work are ☐ correct and are supported in accordance with existing instructions. ☒ Not applicable.
7. The amount listed for each parcel in the certificate is the amount approved to govern negotiation and settlement.
8. I understand that the approved amount may be used in connection with a Federal-Aid highway project.
9. I have no direct or indirect, present or contemplated, future personal interest in such property or in any benefit from the acquisition of such property.
10. The amount approved is not a directed amount; it was arrived at fairly, without coercion, and is based on a review of relevant data.

Parcel No.
35922

Appraised Value
\$7,200.00

Damages
N/A

CCW
N/A

Benefits
N/A



BRUCE WILSON
Senior Right of Way Agent
Marysville

2/3/16

Date

CERTIFICATE OF APPRAISER**RW 7-6(REV 6/2003)**

REG/DIST 03	CO BUT	RTE 162	KP (P.M.) 22.8	EXP AUTH 0F6402	AR# 1
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I Hereby Certify:

That I have personally inspected the property herein appraised and that the property owner has been afforded an opportunity to be present at the time of the inspection. A personal field inspection of the comparable sales relied upon in making said appraisal has also been made. The subject and the comparable sales relied upon in making said appraisal were as represented by the photographs contained in said appraisal.

That to the best of my knowledge and belief, the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based is correct, subject to limiting conditions therein set forth.

That I understand that such appraisal is to be used in connection with the acquisition of right of way for a highway to be constructed by the State of California with the assistance of Federal-aid highway funds, or other Federal funds.

That such appraisal has been made in conformity with the appropriate State laws, Title VI of the 1964 Civil Rights Act, regulations and policies and procedures applicable to appraisal of right of way for such purposes; and that to the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under the established law of said State.

That neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.

That I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised.

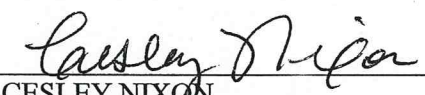
That I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the California Department of Transportation or officials of the Federal Highway Administration and I will not do so until so authorized by State officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

That my opinion of the total fair market value included in this report and made a part hereof by reference, as of the 1/14/10 is \$7,200.00 and that such conclusion was derived without collusion, coercion or direction as to value.



LOUIS BIRD
Right of Way Agent

Date: 1/28/10



CESLEY NIXON
Associate Right of Way Agent

Date: 1/28/2010

ADA Notice

For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or write Records and Forms Management, 1120, N Street, MS-89, Sacramento, CA 95814.

CONFIDENTIAL

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District	County	Route	KP (P.M.)	E. A.	Program	Fed. Ref.	Name	Parcel
03	BUT	162	22.8	0F6402	20.10.201.010		South Feather Water & Power	35922

DATE: 1/14/10

TO: BRUCE WILSON
Senior Right of Way Agent
Marysville

FROM: LOU BIRD, Right of Way Agent

SUBJECT: Non-Complex Valuation (\$10,000 or less)

DATE OF VALUE:

OWNER: South Feather Water & Power

PROPERTY IDENTIFICATION: 2310 Oro-Quincy Highway
Oroville, CA 95966
APN# 072-050-002 and 072-050-004

ENV.CLEAR:10/14/09
CERT. 4/1/2010

DATE ACQUIRED: Over five years

INTEREST APPRAISED: Fee

Appraised Value: \$7,200.00

PROJECT LIMITS:

PROJECT DESCRIPTION:

The project proposes to install Traffic Signals along the State Highway 162 corridor at the Kelly Ridge intersection.

PROPERTY DESCRIPTION:

The larger parcel consists of two irregular lots that have a combined area of 222,164 square feet. This commercial site is unimproved and overgrown with brush and trees and is located just off Highway 162 near Kelly Ridge Road. The Right of Way requirements consist of a 5,445 square feet in Fee.

ZONING and HIGHEST and BEST USE:

The zoning of the subject parcel is commercial (C1). The comparable properties are zoned C1 & C2. Per the Butte County zoning classifications, and due to the decline in the market, and lack of sales this appraiser will use superior commercial lots to establish a base line of value. The subject property is inferior to the comparable properties due to topography, shape, location, visibility access, traffic, easements and usable area that would support a commercial building; therefore adjustments are warranted. The property is vacant and over grown, and is low lying in comparison to surrounding properties. A large reservoir and earthen retaining wall are located behind the rear of the property and overflow drainage filters through the property resulting in a low lying drainage area further reducing the buildable area. The irregular flag shape property diminishes its usable area along with the underground pipe easements that encumber a portion of the property. The likely buildable area is located behind another property off highway 162 reducing visibility. Based on inspection and review of available superior properties and the lack of similar properties sales in the general area with the same zoning of the subject parcel, the Highest and Best Use for the subject parcel is marginal commercial use.

CONFIDENTIAL

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PARCEL VALUATION:

The value of the fee required from the subject property will be determined using market value of vacant commercial lots. There is a lack of comparables with similar topography, shape, location, visibility access, traffic, easements and usable area that would support a commercial building. Accordingly, the grantor has limited use of the property and fee area due to it being a substandard lot. The entire property will be valued as marginal commercial. The majority of the area being purchased is not within the buildable area and is encumbered with a permanent easement thus further reducing the value. It is estimated that the likely usable area is one acre or less and will remain the same in the after condition. Based on discussions with real estate professionals and the unlikely development of this property, the fee purchase is valued at 50% of a viable commercial lot per s.f.

COMPARABLE DATA:

Comparable No. 1

Date of Sale: 2/22/2006 Zoning: C1 Size: 0.78 acres

Vacant lot sold for \$90,000.00 in 2006 near the peak of the market. This is an irregular shaped C1 zoned lot located on Oro Quincy Highway in Oroville, on the North side of Highway 162, Next to the Subject property. Property is listed for \$225,000.00 buy the owner for quite some time. The realtor believes that the property would sell at the \$100,000.00 - \$125,000.00 price in this market. Property used to have an old 2 bedroom house on it but burnt down prior to sale. Price confirmed @ = \$2.65/s.f if sold at \$100,000.00- \$125,000.00 price as suggested by realtor = \$2.94-3.68 /s.f.

Comparable No. 2

Date of Sale: 10/19/08 Zoning: C2 Size: 1.13 acres

Vacant lot sold for \$127,337.00. This is a rectangular shaped C2 zoned lot located on Oro Quincy Highway in Oroville, on the South side of Highway 162 less than a block from the subject. This parcel was sold as vacant land, but has available sewer and good access and visibility to Highway 162. The property has not been developed at this time. Price = \$2.54/s.f.

Comparable No. 3

Date of Sale: 1/5/09 Zoning: C1 Size: 0.59 acres

Vacant lot sold for \$88,000.00. This is a regular shaped C1 zoned lot located in another neighborhood closer to town on Table Mountain Road in Oroville. This parcel was sold as vacant land, the current use is still vacant. This site has the availability of major utilities and is a corner lot with great visibility. Price = \$3.42 /s.f.

RECONCILIATION OF VALUE:

The market data research produced 3 vacant land sales and 1 is listed for sale. The unadjusted range of sales was \$2.65/s.f. – 3.42/s.f. Comparable # 1, which abuts to the subject and is a current listing, is given the most weight of the 3 comparables when determining value. However, as a listing that has been on the market for numerous months in a declining market, it doesn't reflect the likely market rate. During discussions with the realtor selling comparable #1 it is speculated that the property will sell for \$2.94/s.f.- \$3.68/s.f. The confirmed sale price near the peak of the market was \$2.65/s.f. After taking into consideration location and the declining real estate market and confirmed sale price of comparable #1 and #2 the established base market value for a viable commercial lot is \$2.65/s.f. The fee purchase is valued at 50% of a viable commercial lot. The value of fee area to be acquired is valued at \$1.33/s.f.

NON-COMPLEX VALUATION (\$10,000.00 OR LESS) (Cont.)

10G-RW 7-14 (REV 7/97)

CALCULATIONS:

LAND:

The fee (Parcel 035113-1); 5,445 s.f. of commercial land at a rate of \$2.65/s.f.. Due to the limited and marginal use of the property the land will then be valued at 50% of the fee value.

5,445 s.f. (FEE) @ \$2.65 per s.f. = \$14,429.25

\$14,429.25 x 50% (Marginal commercial reduction and Encumbered by a utility Easement) = \$7,214.63

APPRAISED VALUE: \$7,214.63 Say, **\$7,200.00 (Rounded)**

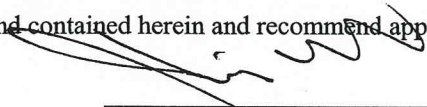
SUMMARY OF THE BASIS OF JUST COMPENSATION:

The Sales Comparison Approach was relied upon to value the larger subject parcel as though vacant. The Income and Cost approaches are not typically used to appraise this type of property and were not performed. Adequate comparable sales were located in the subject market and were used to value the subject property. This is a part take appraisal that values Fee. No improvements have been identified for purchase. The acquisition of the required FEE and the construction in the manner proposed does not result in severance damages or create benefits to the subject property. Functional utility of the subject property will remain the same after construction and the highest and best use will not change.

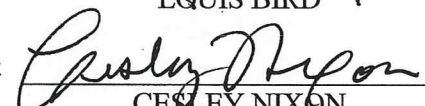
The appraisal contained herein is confidential and has been prepared for Department use only as a step in the eminent domain process upon which to base offers of settlement and thereafter acquire said parcel by condemnation if the offer is refused.

The undersigned appraised the property and contained herein and recommend approval of this report.

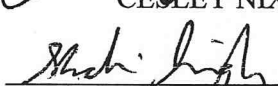
Appraiser, Right of Way Agent


LOUIS BIRD

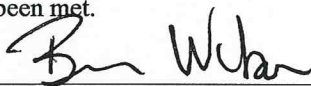
Appraiser, Associate Right of Way Agent


CESLEY NIXON

Calculations, content, and arrangement
verified by:


SHALVIN SINGH

The undersigned have review and approved this report and certify that the requirements of the R/W manual have been met.



BRUCE WILSON

Senior Right of Way Agent
Marysville

2/3/10
Date

SUMMARY OF COMPARABLE DATA

<u>COMP. NO.</u>	<u>APN</u>	<u>ADDRESS</u>	<u>ZONING</u>	<u>SIZE (ACRES)</u>	<u>SALE PRICE</u>	<u>IMPROVEMENTS</u>	<u>DATE OF SALE</u>
1.	072-050-003	5383 Oro Quincy Hwy	C1	.78	\$90,000.00	NO	2/22/2006
2.	069-520-048	Oro Quincy Hwy	C2	1.13	\$127,377.00	SEWER	10/9/2008
3.	031-052-029	Table Mountain Blvd & Mono Ave	C1	.59	\$88,000.00	SEWER/POWER	1/5/2009

SUBJECT PHOTO



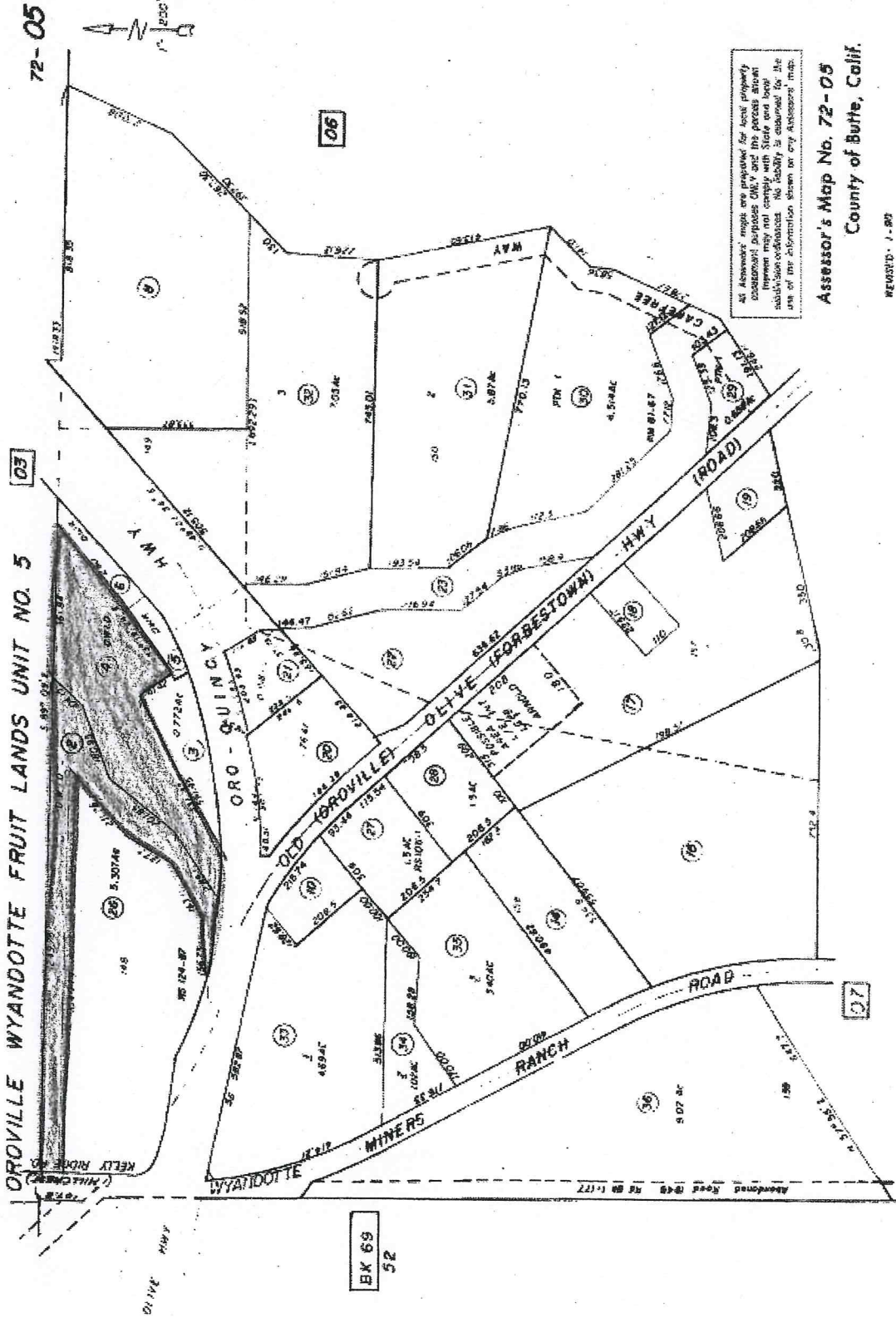
Subject property standing on 162 looking north.



Subject property rear looking south

COMPARABLES MAP





72-05

03

OROVILLE WYANDOTTE FRUIT LANDS UNIT NO. 5

06

07

BK 69
52

All Assessment maps are prepared for local property assessment purposes only and the parcels shown herein may not comply with State and local subdivision ordinances. No liability is assumed for the use of the information shown on any Assessment map.

Assessor's Map No. 72-05
County of Butte, Calif.

REvised: 1-82

COMPARABLE NO. 1

TYPE OF TRANSACTION:

☒ Sale ☒ Listing ☐ Pending

PROPERTY LOCATION:

Oro Quincy Highway

ASSESSOR'S PARCEL NO:

072-050-003

GRANTOR:

Robert and Lisa Sanford

GRANTEE:

Eileen Hernon

SALES/LISTING DATA:

SALE DATE:

1/22/06

PRICE:

\$90,000.00

RECORDING DATA:

Book/Pg/Inst.

Grant Deed

Recording Date:

2/22/06

DTT:

TERMS (if listed on the recorded deed):

SITE DATA:

ZONING:

C1

PRESENT USE:

Vacant

HIGHEST AND BEST USE:

Commercial

APPROXIMATE DIMENSIONS:

Irregular

PARCEL SIZE:

0.78 acres

UNIT VALUE:

\$2.65/s.f.

IMPROVEMENTS:

None

COMPARABLE NO. 2

TYPE OF TRANSACTION:

☒ Sale ☐ Listing ☐ Pending

PROPERTY LOCATION:

Oro Quincy Highway

ASSESSOR'S PARCEL NO:

069-520-048

GRANTOR:

Henry Runge

GRANTEE:

Mid Valley Title & Escrow

SALES/LISTING DATA:

SALE DATE:

10/9/08

PRICE:

\$127,377.00

RECORDING DATA:

Book/Pg/Inst.

Grant Deed

Recording Date:

10/19/08

DTT:

TERMS (if listed on the recorded deed):

SITE DATA:

ZONING:

C2

PRESENT USE:

Vacant

HIGHEST AND BEST USE:

Commercial

APPROXIMATE DIMENSIONS:

Approximately 1.13 acres

PARCEL SIZE:

1.13 acres

UNIT VALUE:

\$2.54/s.f.

IMPROVEMENTS:

None

COMPARABLE NO. 3

TYPE OF TRANSACTION:

☒ Sale ☐ Listing ☐ Pending

PROPERTY LOCATION:

Table Mountain Road

ASSESSOR'S PARCEL NO:

031-052-029

GRANTOR:

Souhel Khalil

GRANTEE:

Stroup Malynda R Trust

SALES/LISTING DATA:

SALE DATE:

1/5/09

PRICE:

\$88,000.00

RECORDING DATA:

Book/Pg/Inst.

Grant Deed

Recording Date:

1/5/09

DTT:

TERMS (if listed on the recorded deed):

SITE DATA:

ZONING:

C1

PRESENT USE:

Vacant

HIGHEST AND BEST USE:

Commercial

APPROXIMATE DIMENSIONS:

Approximately 1.13 acres

PARCEL SIZE:

0.59 acres

UNIT VALUE:

\$3.42/s.f.

IMPROVEMENTS:

None

PICTURE:

Photo date:

RIGHT OF WAY CONTRACT**STATE HIGHWAY**

RW 8-3 (Rev. 6/95)

CONFIDENTIAL

This document contains personal information, and pursuant to Civil Code 1798.21, it shall be kept confidential in order to protect against unauthorized disclosure.

Page 1 of 3

APN 072-050-004

District	County	Route	P.M.	E. A.	Program	Fed. Ref.	Name	Parcel
03	BUT	162	22.8	0F6402	35922		South Feather Water & Power	35922-1

_____, California

_____, 2009

South Feather Water & Power

Grantor

RIGHT OF WAY CONTRACT -- STATE HIGHWAY

Document No. 35922-1 in the form of a (Grant) Deed to the State of California, outlined on the attached map marked Exhibit A and covering the property particularly described in Clause 3 below, has been executed and delivered to LOUIS BIRD, Right of Way Agent for the State of California.

In consideration of which, and the other considerations hereinafter set forth, it is mutually agreed as follows:

1. The parties have herein set forth the whole of their agreement. The performance of this agreement constitutes the entire consideration for said document and shall relieve the State of all further obligation or claims on this account, or on account of the location, grade or construction of the proposed improvement.
2. It is agreed that the property conveyed by document No. 35922-1 is being donated to the State by the undersigned grantor. Grantor having initiated this donation, has been informed of the right to compensation for the property donated and hereby waives such right to compensation.
3. It is agreed and confirmed by the parties hereto that notwithstanding other provisions in the contract, the right of possession and use of the subject property by the State, including the right to remove and dispose of improvements, shall commence on 3/31/2010, or the close of the escrow controlling this transaction, whichever occurs first, and that the donation includes, but is not limited to, possession and use, including any all damages, if any, from said date.
4. It is understood and agreed by and between the parties hereto that a donation as provided in clause 2 includes, but is not limited to, any and all damages, and any and all damages which may accrue to the Grantors' remaining property by reason of its severance from the property conveyed herein and the construction and use of the proposed highway project, including, but not limited to, any expense which Grantors may incur in restoring the utility of their remaining property.
5. The undersigned Grantor warrants that he is the owner in fee simple of the property affected by this acquisition as described in Clause 3 above and that he has the exclusive right to grant these rights.

RIGHT OF WAY CONTRACT - STATE HIGHWAY (Cont.)

Parcel No. 35922-1

6. Grantor warrants that there are no oral or written leases on all or any portion of the property exceeding one month, and the Grantor agrees to hold the State harmless and reimburse State for any and all its losses and expenses occasioned by reason of any lease of said property held by any tenant of Grantor for a period exceeding one month. Grantor acknowledges that a quitclaim deed will be required from any lessee that has a lease term exceeding one month. Said quitclaim deed is to be provided to State prior to the close of escrow.
 7. In consideration of the State's waiving the defects and imperfections in all matters of record title, the undersigned Grantor covenants and agrees to indemnify and hold the State of California harmless from any and all claims that other parties may make or assert on the title to the premises. The Grantor's obligation herein to indemnify the State.
 8. If the property being donated is found to be contaminated by the presence of hazardous waste which requires mitigation under Federal or State law, The State may elect to recover it's clean up cost from those who caused or contributed to the contamination.
 9. It is understood and agreed by and between the parties hereto that this Agreement inures to the benefit of, and is binding on, the parties, their respective heirs, personal representatives, successors, and or assignees.
 10. This transaction shall be handled through an internal escrow by the State of California, Department of Transportation, District, P.O. Box 911 Marysville, CA 95901
-

In Witness Whereof, the Parties vested have executed this agreement the day and year first above written.

South Feather Water & Power DATE
Grantor

South Feather Water & Power DATE
Grantor

RECOMMENDED FOR APPROVAL:

ACCEPTED:

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By

LOUIS BIRD
Right of Way Agent
Marysville

By

BRUCE WILSON
Senior Right of Way Agent
Marysville

No Obligations Other Than Those Set Forth Herein Will Be Recognized

T. 19 N. R. 5 E.
SECTION 18

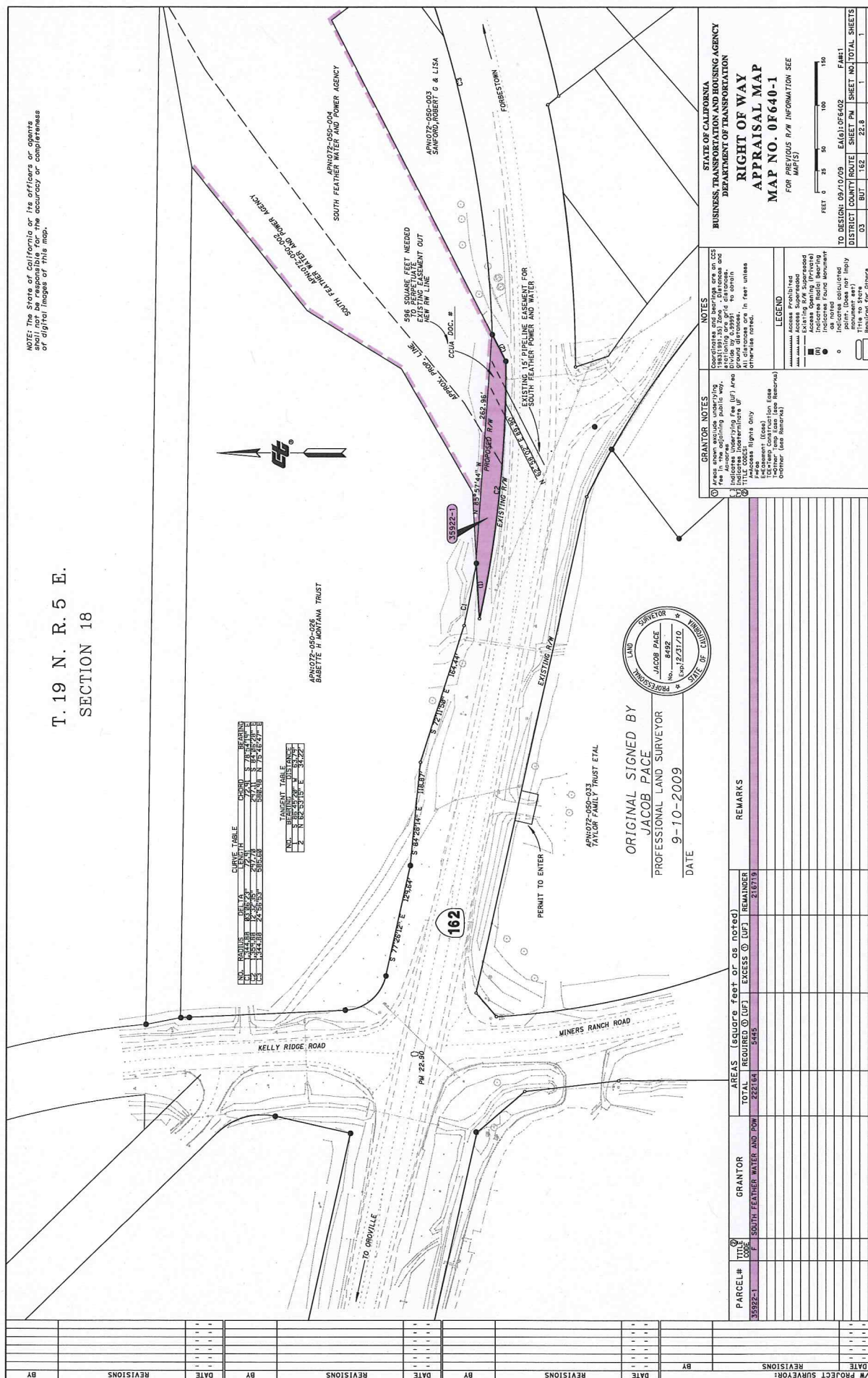


EXHIBIT "A"



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Michael Glaze, General Manager
Steve Wong, Finance Division Manager

DATE: March 17, 2010

RE: Strategic Ten-Year Financial Plan for 2011-2020
3/23/10 Board of Directors Meeting

The Board's Finance Committee (Directors Edwards Cecchi) met with the General Manager and Finance Division Manager on Thursday, March 11, 2010. Projected revenues and expenses through the year 2020 were discussed. The Projections for the South Feather Power Project Joint Facilities Fund and the General Fund that were reviewed and modified at that meeting are attached.

Proposed Action

Adopt the Strategic Ten-Year Financial Plan for 2011-2020, including the proposed modifications to potable water rates in 2012, 2014 and 2017, annual contributions of \$1,000,000 per year towards the Other Post Employment Benefits (OPEB) liabilities beginning in 2015, and authorization to proceed with discussions to issue bonds to assist with financing the expansion of the Miners Ranch Treatment Plant.

Background

The 2010 Budget set forth the following four funds:

Fund 1 – General Fund;
Fund 7 – SFPP Joint Facilities Fund;
Fund 12 – MRTP System Capacity Fund; and,
Fund 51 – SFWPA Retiree Benefits Fund (OPEB).

One of the major questions at the commencement of these discussions is the ability and timing of the distribution of funds from Fund 7, the SFPP Joint Facilities Fund. Generation and power prices for the South Feather Power Project (SFPP) have been tracked since this past summer of 2009, and with these calculations, revenue to the Fund is projected to be about \$1,800,000 per month. The 2005 Agreement (Agreement) with the North Yuba Water District (NYWD) provides first for the payment of normal operating and maintenance expenses for the project, repayment of re-licensing expenses incurred by SFWPA, payment of a minimal annual amount to SFWPA and NYWD, the creation of a 15% working capital reserve, and the creation of a \$15,000,000 contingency reserve. Once these obligations are taken care of, then the remaining funds, or net power revenues, are distributed equally between the Agency and NYWD.

With that as a starting point, Financial Projections for the SFPP Joint Facilities Fund and the General Fund through the year 2020 were created. The Projections indicate a healthy financial picture for the Agency through 2015. Highlights incorporated into these projections for the next five years include the following:

- 1.) With the PG&E agreement approved last month to assist with paying for the dam-crest-modification projects, it appears that net power revenues will be available as soon as the 2012 year. The Agreement provides for the analysis and distribution of funds to occur on or before March 31 of each year for the prior calendar year. Therefore the 2012 distribution will be the result of 2011 activity.
- 2.) No funds from water transfers are included in these estimates.
- 3.) Current Consumption rates for potable water are \$0.64 per unit for the first 100 units (10,000 cubic feet) and \$0.25 per unit after the first 100 units (over 10,000 cubic feet). The following rate adjustments are proposed and have been incorporated into the attached Projections. Each adjustment reduces General Fund revenues by approximately \$110,000 to \$180,000 per year, or an estimated \$465,000 per year after the three adjustments are in effect. The recommended action, below, does not affect these rate changes, only direction to staff to consider the proposal at the appropriate time. Jeff Meith will also need to provide direction regarding the impact of Proposition 218 on this proposal.

	First	After First
Per Unit Chg	100 Units	100 Units
Current	\$0.64	\$0.25
2012	\$0.53	\$0.28
2014	\$0.42	\$0.31
2017	\$0.35	\$0.35

- 4.) Financing for the MRTP expansion is included at a total amount of \$18,000,000 with an interest rate of 4.75% over a twenty-year maturity schedule and repayment beginning in 2014.
- 5.) Annual \$1,000,000 contributions for Other Post-Employment Benefits (OPEB) are scheduled to begin in the 2015 year. Repayment to PG&E for 60% of the costs associated with the dam-crest-modification projects, an estimated \$12,000,000, will also occur in 2015.

The combination of repayment to PG&E for the dam-crest-modification projects costs, the debt service for the MRTP expansion, and the annual contributions for OPEB taking place in the 2014-2015 period cause the 2016-2020 period to be more fragile financially although the projections continue to be positive.

Recommended action:

“I move approval of the Strategic Ten-Year Financial Plan for 2011-2020, including, conceptually, modifications to potable water rates in 2012, 2014 and 2017, annual contributions of \$1,000,000 to Fund 51 for Other Post-Employment Benefits beginning in 2015, and the commencement of formal discussions to pursue financing for the expansion of the Miners Ranch Treatment Plant.”

South Feather Water & Power Agency																	
General Fund																	
Revenue and Expense Projections																	
2011 Through 2020																	
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		2012-2020
Description	Actual	Actual	Actual	Estimated	Budget	Projected	Projected										Total
Gross Revenue	6,136,515	4,984,303	6,840,455	5,219,191	5,331,100	4,669,600	4,489,600	4,489,600	4,314,600	4,314,600	4,314,600	4,204,600	4,204,600	4,204,600	4,204,600		
Operating Expenses	(3,836,435)	(3,930,289)	(4,579,776)	(4,624,864)	(5,255,568)	(5,732,257)	(6,104,854)	(6,349,048)	(6,603,010)	(6,867,130)	(7,141,815)	(7,427,488)	(7,724,587)	(8,033,571)	(8,354,914)		
Relicensing	(633,504)	(423,412)	(242,483)	(125,000)	0	1,120,000	1,120,000	1,120,000	1,120,000	1,120,000	0	0	0	0	0		
Capital Outlay	(707,293)	(315,596)	(151,068)	(209,000)	(627,100)	(100,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)		
Sub-Total	959,283	315,006	1,867,128	260,327	(551,568)	(42,657)	(845,254)	(1,089,448)	(1,518,410)	(1,782,530)	(3,177,215)	(3,572,888)	(3,869,987)	(4,178,971)	(4,500,314)		
SFPP Joint Fac Fund Min Distrib						355,000	709,000	709,000	709,000	709,000	709,000	709,000	709,000	709,000	709,000		
SFPP Joint Fac Fund Add Distrib							353,000	5,790,000	5,176,000	5,308,000	0	6,611,000	6,168,000	6,034,000	7,144,000		
Sub-Total	959,283	315,006	1,867,128	260,327	(551,568)	312,343	216,746	5,409,552	4,366,590	4,234,470	(2,468,215)	3,747,112	3,007,013	2,564,029	3,352,686		24,429,983
Debt Service, Existing	(1,104,803)	(1,032,180)	(925,977)	(1,033,436)	(466,905)	(467,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)	(450,000)		(4,050,000)
Debt Service, Potential									(1,415,000)	(1,415,000)	(1,415,000)	(1,415,000)	(1,415,000)	(1,415,000)	(1,415,000)		(9,905,000)
System Capacity Charges					15,000	15,000	25,000	25,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000		1,625,000
OPEB Contributions										(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)		(6,000,000)
NET REVENUE OVER EXPENSES					(1,003,473)	(139,657)	(208,254)	4,984,552	2,726,590	1,594,470	(5,108,215)	1,107,112	367,013	(75,971)	712,686		6,099,983
Notes, Assumptions, Comments:																	
1.) General Fund Revenues remain constant, including Sly Creek Power Generation of \$1,200,000 per year (\$100,000/month).																	
2.) No funds are anticipated from Water Transfers.																	
3.) Operating expenditures increased by 6.5% in 2012 and 4% each year thereafter.																	
4.) Capital expenditures for 2012 on based on 4 year average of 2006 to 2009.																	
5.) Potential Debt Service is \$18,000,000 at 4.75% over 20 years.																	
6.) Revenue from System Capacity charges for 2014 on based on 10 year average of 2000 to 2009.																	
7.) Assumes potable water consumption remains constant with rate modifications in 2012, 2014 and 2017.																	

SFPP Joint Facilities Fund
Revenue and Expense Projections
2008 - 2020

(Thousands of Dollars)	2008 <u>Actual</u>	2009 <u>Budget</u>	2010 <u>Proposed</u>	2011 <u>Projected</u>	2012 <u>Projected</u>	2013 <u>Projected</u>	2014 <u>Projected</u>	2015 <u>Projected</u>	2016 <u>Projected</u>	2017 <u>Projected</u>	2018 <u>Projected</u>	2019 <u>Projected</u>	2020 <u>Projected</u>
Operation	3,172	3,187	4,224	4,499	4,791	5,102	5,434	5,787	6,163	6,564	6,991	7,445	7,929
Routine Maintenance	944	1,056	1,137	1,208	1,284	1,364	1,449	1,540	1,636	1,738	1,847	1,962	2,085
Non-Routine Maint & Capital	3,554	2,692	4,670	3,550	2,000	3,500	3,500	14,000	2,000	3,500	4,000	2,000	2,000
Relicensing repayment	-	-		1,120	1,120	1,120	1,120	1,120	-	-	-	-	-
Total	7,670	6,935	10,031	10,377	9,195	11,086	11,503	22,447	9,799	11,802	12,837	11,407	12,014

Non-routine & capital projects

2010 Microwave & telecomm upgrades
2011 Forbestown TSV, LGV tunnel repair, WPH Transformer repayment(\$1,550)
2012 Recreation facility rehab
2013 Recreation facility rehab, valve modifications
2014 Recreation facility rehab, valve modifications
2015 Repayment to PG&E of 60% dam construction costs(\$12), Capital equip (\$2)
2016 Capital equipment replacement/purchase
2017 Rewind Forbestown Powerhouse
2018 Rewind Woodleaf Powerhouse
2019 Capital equipment replacement/purchase
2020 Capital equipment replacement/purchase

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Projected Gross Revenues	0	0	16,080	21,600	22,248	22,915	23,600	24,310	25,040	25,791	26,565	27,362	28,183
Projected Total Expenses			10,031	10,377	9,195	11,086	11,503	22,447	9,799	11,802	12,837	11,407	12,014
Net Revenues	0	0	6,049	11,223	13,053	11,829	12,097	1,863	15,241	13,989	13,728	15,955	16,169
Min Revenue Distribution SFWPA	0	0	0	355	709	709	709	709	709	709	709	709	709
Min Revenue Distribution NYWD	0	0	0	355	709	709	709	709	709	709	709	709	709
15% Operating Reserve	0	0	0	856	55	59	63	67	71	75	80	85	91
Contingency Reserve	0	0	6,049	8,951	0	0	0	378	530	159	161	162	164
Additional Rev Distribution SFWPA	0	0	-	-	353	5,790	5,176	5,308	0	6,611	6,168	6,034	7,144
Additional Rev Distribution NYWD	0	0	-	-	353	5,790	5,176	5,308	0	6,611	6,168	6,034	7,144

Notes and Assumptions:

Operation expenses increase by 6.5% per year and Routine Maintenance expenses by 6.25% per year..
Projected Gross Revenues of \$1,800,000 per month increased by 3.0% per year.
Contingency Reserve COLA of 5% in 2015 and 1% per year thereafter.

MINASIAN, SPRUANCE,
MEITH, SOARES &
SEXTON, LLP

ATTORNEYS AT LAW
A Partnership Including Professional Corporations

1681 BIRD STREET
P.O. BOX 1679
OROVILLE, CALIFORNIA 95965-1679

PAUL R. MINASIAN, INC.
JEFFREY A. MEITH
M. ANTHONY SOARES
DAVID J. STEFFENSON
DUSTIN C. COOPER
ANDREW J. McCLURE

WILLIAM H. SPRUANCE,
Of Counsel

MICHAEL V. SEXTON,
Of Counsel

TELEPHONE:
(530) 533-2885

FACSIMILE:
(530) 533-0197

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MAR 05 2010

S.F.W.P.
OROVILLE OFFICE

March 3, 2010

ACWA Legislative Committee Clients

Re: **Update on ACWA Legislative Committee Activities**

Dear Ladies and Gentlemen,

This letter is an update on relevant bills discussed at the February ACWA Legislative Committee meeting.

SB 565 – Water Resources (Pavely): This bill is nearly identical to the language of SB X7 5, which was introduced originally as part of the water legislation package last year, but which failed passage. This bill would have implications for water rights, as follows:

- Current law authorizes the SWRCB to investigate whether water is lawfully appropriated. This bill would authorized the SWRCB to order any person or entity to submit any technical or monitoring report related to their diversion or use (presumptively, any report does not limit the expense or extent of the requirement).
- Current law provides that unlawful diversion is a trespass subject to up to a \$500/day fine. This bill would expand the fine range to \$1,000 to \$5,000 per day, or the highest market value of the water, whichever is greater
- Current law requires submission of a statement of diversion and use with the SWRCB, which must include monthly diversions by January 1, 2012. This bill would authorize the SWRCB to impose a fee for filing a statement of diversion and use, for administrative costs. It would also create a rebuttable presumption in any proceeding in which it is alleged that a water right has ceased or is subject to a prescribed action, that no use required to be included in a statement of diversion and use occurred unless that use is included in a statement submitted to the Board within 6 months after the statement is due. In essence, failure to file the statement could potentially lead to the loss of water rights, even if the water is beneficially used, unless records exist to substantiate the use.
- Current law authorizes the SWRCB to issue cease and desist orders for unauthorized use with fines not to exceed \$1,000/day. This bill would authorize

finest of up to \$500/day for failure to comply with a reporting or monitoring requirement, including requirements pursuant to the public trust doctrine, and a fine of \$500/day for the violation of a permit, license, certificate, or registration, or of an order or regulation involving the unreasonable use of water.

Senator Pavely withdrew provisions that would allow the SWRCB to initiate stream adjudications on its own motion, and inserted a provision that makes the “rebuttable presumption” of non-use only apply for a willful failure to file a statement of diversion and use. These concessions notwithstanding, the bill would expose water rights holders to new and potentially expensive technical reporting requirements and large fines for unintentional unlawful diversions. ACWA has taken an oppose position on this bill.

SB 918 – Water Recycling (Pavely): Current law requires the Department of Public Health (DPH) to establish uniform statewide recycling criteria for each type of use for recycled water, where public health is implicated. This bill would require development of uniform water recycling criteria for indirect potable water reuse for groundwater recharge by December 31, 2013 and for surface water augmentation by December 31, 2014. DPH would be required to investigate the feasibility of uniform water recycling criteria for direct potable reuse. By creating uniform standards for water recycling, proponents hope to create predictable permitting and design processes for creating recycling facilities, and thereby increase their attractiveness by ensuring compliance with public health requirements. ACWA Legislative Committee members asked about “grandfathering” current projects, many of which are multi-million dollar projects, in order to avoid potentially steep costs of meeting compliance standards that were not adopted when the projects were approved. ACWA staff will investigate the grandfathering question and ACWA has taken a favor stance on this bill.

SB 841, 842, and 843 – Validations (Senate Local Government Committee): These bills are the validating acts for 2010, which would, upon effect at various dates throughout 2010, validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and special districts, agencies and entities. The annual validating acts protect investors from the chance that a minor error might undermine the legal integrity of a public agency’s bond. ACWA routinely favors these bills.

SB 890: Health Care Coverage (Alquist): This bill states the intent of the Legislature to implement federal health care reforms by specified legislation in that regard. In essence, it is a placeholder bill that is waiting to see if the federal government passes health care reform. If so, this bill will be fleshed out to conform California to the federal requirements. I expect this bill, and perhaps additional bills, will be of interest should President Obama succeed in passing health care reform.

AB 25 – Water Discharges: Mandatory Minimum Civil Penalties (Gilmore): The State Water Resources Control Board (SWRCB) is authorized to impose mandatory minimum civil

penalties of \$3,000 for each serious waste discharge violation. The SWRCB, or relevant regional board, may elect to direct the penalty amount for a publicly owned treatment works serving a small community to be used towards the completion of a compliance project. This bill would expand the definition of small community from 10,000 to 20,000 persons, and would cover all public school districts for violations at school facilities. Because the penalty dollar amount does not change due to community size, it disproportionately affects smaller communities. ACWA is favoring this bill. The bill would lessen the potential liability for violations in communities of between 10,000 and 20,000 persons, who would otherwise be hit with both the compliance project costs and penalties. ACWA is favoring this bill.

AB 1666 – California Family Rights Act: Sick Leave (Swanson): This bill would expand the definition of “serious health condition” for purposes of qualifying for California Family Rights Act (CFRA) leave to include illness contracted by the employee that has been declared a national or state emergency pandemic. The CFRA requires public agencies with 50 or more employees, who have worked at least 1,250 hours in the previous 12 months, to allow up to 12 weeks off per employee to for certain family care and medical leave, although many public employers with less than 50 employees have adopted through union contracts either California Family Rights Act leave or Federal Medical Leave Act. ACWA has taken a “watch” position on this legislation. The bill has good intentions, by allowing employees with contracted pandemic illnesses to take leave (assuming sick leave is unavailable), they would have job protection and less incentive to come to work and potentially spread the contagion. One concern with this bill is that it may be difficult or impossible to ascertain whether an employee has “swine flu”, for instance, or merely regular flu. For now, I trust that national and state pandemics will be rare enough that this bill will impose little added burdens on agencies, but ACWA will likely not take a position until the bill and its ramifications are better known.

AB 1667: California Family Rights Act: Sibling care (Swanson): This bill, by the same author as AB 1666, would expand medical leave to allow for the care of a sick sibling. Currently, both the California and Federal acts only permit leave to care for themselves, or a sick spouse, child or parent. The author believes this bill addresses a shortcoming in the law that does not adequately reflect the realities affecting California families. ACWA is similarly currently taking a watch position on this bill.

AB 1676: Elected Officials: residency requirements (Fuentes): This bill would require that a person who is elected to state or local public office maintain his or her residency within the jurisdiction or district for which they were elected to serve during the entire term of office. Violation would result in office forfeiture, disqualification from future state or local office, and a fine of up to \$1,000 and up to 6 months in jail; to be effective retroactively to all persons holding office on the effective date of the bill. It is not clear what goal is to be accomplished by this bill. Local public officials must already be, and remain, residents of the Districts and/or divisions they represent during their terms of office. State officials must remain residents of California. At

ACWA Legislative Committee Clients

March 3, 2010

Re: Update on ACWA Legislative Committee Activities

Page 4.

least one ACWA Legislative Committee member proposed this bill may be related to an internal Legislature dispute between assembly members, but did not clarify his statement further. Currently ACWA is watching the bill, and will attempt to ascertain its purpose and effect on ACWA members in the future.

Proposition 16 – The Taxpayers Right to Vote Act (PG&E): Current law authorizes the development of Community Choice Aggregation (CCA) programs which allow local governments to purchase blocks of power to sell to their residents. A CCA program also allows local governments to construct municipal electricity generation facilities, which compete with private utilities. Under current law it only takes a majority vote to approve formation of a public utility district, and generally CCA programs would be bond financed, requiring another majority vote. This proposition would amend the Constitution to require a 2/3 vote for the formation of a public utility district or CCA. This proposition is a clear effort by PG&E to protect its interests against creation of local publicly owned utilities, such as Sacramento Municipal Utility District. SMUD has stated that the proposition is “horrendous.” In late December 2009, Senator Darrell Steinberg, and seven other senators (Cedillo, Florez, Kehoe, Leno, Lowenthal, Oropeza, and Wolk) sent a letter to PG&E Chairman Peter Darbee, calling the proposition “misguided public policy” and questioning the integrity of a company that would “use the initiative process to pursue PG&E’s self interests...” ACWA’s Board takes positions on propositions, and the Legislative Committee is recommending opposition to this proposition.

Please let me know if you have any questions regarding these or other bills.

Sincerely,

**MINASIAN, SPRUANCE, MEITH,
SOARES & SEXTON, LLP**

By: _____


DAVID J. STEFFENSON

DJS:aw

ACWA Legislative Committee Clients

March 3, 2010

Re: Update on ACWA Legislative Committee Activities

Page 5.

This page not sent.

Mark Orme, Butte Water District

Chris White, Central California Irrigation District

Charles Mathews, Cordua Irrigation District

Jeff Bryant, Firebaugh Canal Water District

Scott Edwards, Lindsay-Strathmore Irrigation District

Ron Nelson, Nevada Irrigation District

Brad Mattson, Richvale Irrigation District

Steve Chedester, San Joaquin River Exchange Contractors

David Mansfield, Solano Irrigation District

Michael Glaze, South Feather Water & Power Agency

Cindy Gustafson, Tahoe City Public Utility District

**MINASIAN, SPRUANCE,
MEITH, SOARES &
SEXTON, LLP**

ATTORNEYS AT LAW
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1681 BIRD STREET
P.O. BOX 1679
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MICHAEL V. SEXTON,
Of Counsel

TELEPHONE:
(530) 533-2885

FACSIMILE:
(530) 533-0197

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MAR 05 2010

**S.F.W.P.
OROVILLE OFFICE**

March 3, 2010

Stan Wangberg, Manager
Anderson-Cottonwood Irrigation District

Karen Peters, Manager
Biggs-West Gridley Water District

Mark Orme, Manager
Butte Water District

Donnie Stinnett, Manager
Joint Water Districts Board

Les Heringer, Manager
M & T Ranch

Ron Nelson, Manager
Nevada Irrigation District

George Barber, Manager
Paradise Irrigation District

Brad Mattson, Manager
Richvale Irrigation District

David Mansfield, Manager
Solano Irrigation District

Michael Glaze, Manager
South Feather Water & Power Agency

Ted Trimble, Manager
Western Canal Water District

Cameron "Kelly" Boyd, Manager
Reclamation District No. 1004

Re: **Summaries Of Evidence Submitted To State Water Resource Control Board
Regarding Delta Flow Criteria**

Dear Ladies and Gentlemen,

This memorandum is intended to give you some insight into the positions expressed by those parties who submitted evidence to the State Water Resources Control Board (SWRCB) in connection with the Delta Flow hearings. I provide a brief summary and discussion of issues expressed, along with selected quotes from the relevant parties. Additionally, I predict that the Board staff will not substantially adopt the various submittals and will follow the advice of its own panel of scientific experts when finally setting the Delta flow criteria.

The Department of Water Resources (DWR), the Federal Contractors, State Contractors (including Westlands Water District, and Metropolitan Water District), and allies, focused primarily on dissuading the SWRCB from considering flow the primary cause of species decline in the Delta. They pointed to past failures of flow centered plans, the rise of ammonia in the Sacramento River, and to the uncertainty of the science involved, which indicates that the

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relationship between species abundance and flow is complex, and not a linear “more is better” relationship. Interestingly, the contractors pointedly specified increasing ammonia discharges by Sacramento County Sanitary District (SCSD) as a cause of species decline [SCSD submitted comments arguing against a relationship between ammonia concentrations and species decline]. They also emphasized that the Board must establish what level of protect is required to meet public trust obligations, and that the ultimate cost must be weighed against its impact on other uses of the water. These parties also concluded that entrainment of Delta smelt or other fish species has not been shown scientifically to be a major cause of species decline. Selected quotes:

- DWR: “It is important for the Board to distinguish between those issues in which outflow is necessarily involved from those issues in which outflow is proposed to correct a problem fundamentally with diversion, flow regimen, or other stressors within the Delta.”
- Federal/State Contractor/Westlands/Metropolitan: (1) “The multiple layers of causation in the Delta, as the Written Testimony submitted by the State and Federal Water Contractors and the science papers in the Appendix of Supporting Citations show, create a highly complex ecosystem which, in turn, compels an approach to setting flow objectives that pays close attention to that complexity and uses methodologies well adapted to discovering which group of factors that are occurring in unison is, in fact causing the observed response within the fishery community”; (2) “any flow criteria that emanate from these proceedings should be narrative in character and should set out or otherwise describe the error bands that reflect the uncertain state of the available science”; (3) “In sum, given scientific uncertainties, the ultimate need to balance the limited water resources between competing public trust resources, and the ultimate need to balance the limited water resources between public trust resource needs and the needs of other beneficial uses, the State Water Board cannot, at this time, reach any final quantitative conclusions on flow needs.”

The Sacramento River Water Users (including Glenn-Colusa Irrigation District, Yuba County Water Agency, Sacramento County Water Agency, Sacramento County, and others) pointed to specific policy considerations. They emphasized to the Board that it has a duty to balance all public trust resources, and must analyze the impact of any flow changes on other public trust resources in a balancing exercise. They also emphasized that if the Board focuses on flow to the exclusion of other factors, it is unlikely to achieve recovery in the Delta. Selected quotes:

- “Accordingly, the SWRCB’s final report in this proceeding must recognize the foregoing limitations and the report should clearly indicate that it is not

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precedential in any future proceedings in which the SWRCB considers new regulatory standards for the Delta or if the SWRCB otherwise seeks to discharge its duties under the public trust doctrine.”

- “Delta outflow requirements must be based on reliable scientific evidence addressing (i) how the flows needed to support a particular public trust resource in the Delta relate to the needs of other public trust uses, both in the Delta and outside the Delta; and (ii) whether the flows needed to support a particular public trust resource in the Delta must be balance with the needs of other public trust resources elsewhere in order to protect the public trust generally.”

Various environmental organizations, including American Rivers, National Heritage Institute, the Bay-Delta Institute, and the Natural Resources Defense Council, all argued that the Board must take action to impose specific flow criteria, even if the science is not fully settled, and many argued that with such a complex ecosystem, the science would never be fully settled. Relatedly, they advised adoption of an adaptive management system to allow adjustments over time, as more data is collected and relationships between Delta stressors and species abundance becomes clearer. Most environmental groups specified that inflows from the Sacramento and San Joaquin Rivers must be included in the Board’s analysis, and that these determinations would influence future water rights proceedings to assign flow responsibilities. Selected quotes:

- American Rivers & National Heritage Institute: “Outflows should consist of inflows roughly proportionate to each tributary basin’s historic contribution” AND “Before flow requirements are imposed, each diverter and other stakeholders must and will be heard again in a subsequent water right proceeding.”
- Environmental Defense Fund: “There is no compelling evidence that anything other than restoration of adequate flows can fuel restoration of public trust resources. Flow restoration may not be sufficient in and of itself to fully protect public trust resources due to additional stressors which also must be mitigated. However, without restored flows protection of public trust resources will not be possible. In other words, adequate flows are a necessary, if not sufficient, condition of public trust protection” AND ““Determining the public trust flow needs of the Delta Estuary requires full consideration of inflows from the Sacramento and San Joaquin River systems.”
- The Bay Institute and Natural Resources Defense Council: “Many factors affect the health of public trust resources, but, after all is said and done, the relationship between flows and viability of public trust species is probably the strongest

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biological signal in the estuary. There is no compelling evidence that anything other than restoration of adequate flows can fuel restoration of public trust resources” AND “In addition to developing inflow criteria, we recommend that the Board include the principle that responsibility for meeting Delta flow criteria should be proportionately shared among source streams and watersheds, subject to the ecological conditions and disturbances particular to each source stream and watershed and other considerations.”

The Bureau of the Interior and Fish and Wildlife Service, the National Marine Fisheries Service, California Department of Fish and Game, all submitted comments. These agencies generally argued for a balanced approach using adaptive management to adjust into the future, although NMFS encouraged the Board to include a wide margin for error in flow criteria as a precaution, and specified that its consultation with the Bureau of Reclamation for the most recent Biological Opinion was based on Endangered Species Act prohibitions on endangering species and hinted that the Board’s flow criteria under California public trust considerations may be higher. Selected quotes:

- Bureau of the Interior and Fish and Wildlife Service: ““The approach taken in this process focused on flows. It’s important that this process should start by defining ecosystem goals and specific biological and physical process objectives to model what flows are necessary to meet those objectives. Once ecosystem goals are defined the Board should consider broadening the scope to address all components that affect the stated ecosystem goals and identify a suite of management actions to attain the stated ecosystem goals that would include flow, but not limited to flow” AND “We believe the source of flows is very important to determine Delta outflows. To ensure adequate Delta flow criteria, there must be adequate Delta inflow and outflow. This includes contributions from the Sacramento and San Joaquin Rivers and their tributaries.”
- Department of Fish and Game: “A range of flow criteria, rather than specific values at specific times and places, should be adopted because it is not known presently what is needed to support the yet-to-be-initiated or completed proceedings (e.g., the scope of the Delta Plan has yet to be developed and the Bay Delta Conservation Plan processes is still evaluating many options in and around the Delta.”
- National Marine Fisheries Service: “Establishing appropriate inflow requirements for the Sacramento and San Joaquin rivers is very important for providing the appropriate cues and conditions for successful migration of salmon, steelhead, and sturgeon into and out of habitats upstream of the Delta” AND “In addition, NMFS considered provision of water to senior water rights holders to be non-discretionary for purposes of the federal ESA as it applies to Section 7 consultation with the Bureau of Reclamation. This constrained

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development of RPA Shasta storage actions and flow schedules. This constraint may not apply to the SWRCB flow criteria process.”

In short, the submissions were, as expected, along “party” lines. Environmental groups want more flow, consideration of upstream flows for future rights proceedings, and adaptive management to adjust for any mistakes in analysis, given the short time-frame. Exporters want the Board to consider all factors impacting the Delta, not only flow, and to not assume that where species abundance and flow are correlated that it necessarily is a cause and effect relationship between lower flows and species decline. Upstream diverters reminded the Board that it must balance all public trust resources, implying that failure to do so would weaken the usefulness of the flow criteria in any future water rights proceeding to assign responsibility.

At the Delta flow hearing on January 7th, the SWRCB indicated that it had chosen studies it believed were relevant and had invited an expert panel of its own choosing to opine on the Delta flow process. That panel, the Delta Environmental Flows Group, specified five factors the Board should consider:

- (1) Environmental flows are more than just volumes of inflows and outflows (The frequency, timing, duration, and rate of change of flows, as well as the occurrence of overbank flows also are biologically important).
- (2) Recent flow regimes both harm native species and encourage non-native species (Flows to and within the estuary affect turbidity, salinity, aquatic plant communities, and nutrients that are important to both native and non-native species).
- (3) Flow is a major determinant of habitat and transport (Effects of flow on transport and habitat are controlled by the geometry of the waterways);
- (4) Recent Delta environmental flows are insufficient to support native Delta fishes for today’s habitats (Flow can be modified to benefit native fishes and flow modification is one of the few immediate actions available).
- (5) A strong science program and a flexible management regime are essential to improving flow criteria (Long-term research to develop the next generation of models linking hydrodynamics and population dynamics is crucial for refining flow criteria).

The primary implications from the panel’s recommendations are that it believes flow is the primary influence on Delta health that we can currently influence, and that increased flows are needed in the immediate future. As time progresses, presumptively the advocated science program would help shape future policies and/or help to implement restoration plans not dependent solely on increased flows.

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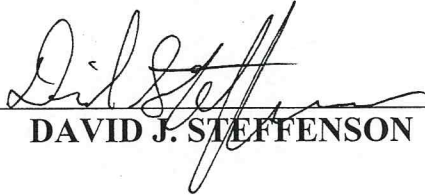
After reading all of the submitted summaries and the Delta Environmental Flows Group (DEFG) recommendations, it is my opinion that the SWRCB will follow the advice of its selected DEFG panel. It had already indicated it believes that that group's members constitute the most knowledgeable and/or relevant scientists on the Delta health. There was nothing submitted by any other party which I believe will compel the Board to alter its reliance on the DEFG. For that reason, the Board may give summary responses to affected parties re-emphasizing that this proceeding does not directly affect water rights, that it will consider the flow criteria and its effect on other processes, such as the Delta Conservation Plan and the Bay-Delta Conservation Plan, and that its process will be adaptive to the best scientific evidence as it exists and changes in the future. But, the Board will almost certainly proceed to recommend increased Delta flows.

We stand by our original determination to not submit evidence directly to the Board on this issue.¹ The Board made clear that it will not consider policy implications, and is only interested in setting a flow criteria. It is not likely to address public trust resources outside of flow in this proceeding (such as water rights), and will likely only address other issues such as water quality as necessary to determine flow affecting the health of specific Delta species. Once the flow criteria is set, and the Board moves to use it in a future proceeding that affects water rights, it will then be forced to weigh the various public trust uses that I anticipate it will side-step during the current process.

Please let me know if you have any questions or comments.

Sincerely,

**MINASIAN, SPRUANCE, MEITH,
SOARES & SEXTON, LLP**

By: 

DAVID J. STEFFENSON

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¹ Similarly, East Bay Municipal Utility District, which had intervened, determined to not submit comments, stating, "because this proceeding is limited to an evaluation of Delta outflow, with the goal of establishing criteria to inform future proceedings, EBMUD has chosen not to submit testimony or supporting documents at this time."