

**AMADOR COUNTY BOARD OF SUPERVISORS  
COUNTY ADMINISTRATION CENTER  
810 Court Street  
Jackson, CA 95642**

**BOARD MEMBERS**

Lynn A. Morgan, District III  
**Chairman**

Brian Oneto, District V  
Richard M. Forster, District II

Patrick Crew, District I  
Frank U. Axe, District IV

**Please Note: All Board of Supervisors meetings are tape-recorded.**

**Anyone who wishes to address the Board must speak from the podium and should print their name on the Board Meeting Speaker list, which is located on the podium. The Clerk will collect the list at the end of the meeting.**

Public hearing items will commence no sooner than the times listed on the agenda. Closed Session agenda items may be heard before or after scheduled public hearings, dependent upon progression of the agenda.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the Clerk of the Board staff, at (209) 223-6470 or (209) 257-0619 (fax). Requests must be made as early as possible, and at least one-full business day before the start of the meeting.

**REGULAR AGENDA**

***ADDENDUM***

**DATE:** August 14, 2018  
**TIME:** 9 a.m.  
**LOCATION:** County Administration Center, 810 Court Street, Jackson, CA

**The following item is hereby added to the Regular Agenda**

**Addendum:**

Discussion and possible action relative to a request by the Amador Water Agency for a letter to PG&E relative to a water right dispute between the parties.

**SUMMARY OF DISPUTE CONCERNING WATER SUPPLIES THAT THE  
AMADOR WATER AGENCY ACQUIRED FROM PG&E**

- In 1985, Amador Water Agency (AWA) acquired a 15,000 AF water supply based on very senior pre-1914 rights from PG&E as part of a purchase of the Amador Water System formerly operated by PG&E.
- Until recently, PG&E has permitted AWA without question to extend its water service to new areas within the Water Agency's service area and even outside the area, for example, providing supplemental supplies to JVID.
- In October 2017, AWA agreed to sell 69 AF per year to EBMUD to be treated and served to its customers in the north shore Lake Camanche service area in Amador County for purposed of enhancing water quality and supply reliability. Assuming it would be a routine request that would be automatically approved, AWA asked PG&E to permit the 69 AF EBMUD requested to be diverted at Pardee instead of AWA's normal diversion point for PG&E-provided water supplies.
- Finally this May, PG&E responded that it might consider permitting AWA to wholesale the 69 AFA supply to EBMUD, but only a number of conditions.
- More recently, PG&E's outside San Francisco lawyers clarified PG&E's position, stating that PG&E has no obligation to approve such requests under the 1985 agreement by which AWA acquired the old PG&E water system, which the Water Agency now owns and operates to serve the communities in the lower portion of Amador County. PG&E's only reason is that its only obligation under that old agreement is to deliver AWA's water supplies to the Water Agency's main diversion point at Lake Tabeaud.
- PG&E's outside attorney stated that the company is willing to sell water to AWA for purposes of extending water service within Amador County. In essence, PG&E's position is that AWA should be required to purchase the same water supply again that it already acquired from PG&E in 1985. This position is particularly ludicrous with respect to the 6,900 AF of supplies that AWA's customers have conserved through investing in an 8-mile pipeline that conveys water to AWA's main water treatment facility instead of through the 23-mile earthen Amador Canal, and other investments like water main replacements, leak repairs and treatment plant backwash water recycling.
- AWA believes that PG&E's position both breaches its 1985 agreement with AWA under which the Water Agency acquired the old PG&E Amador Water System and the 15,000 AFA entitlement to serve demands in that system, and results in a condemnation of AWA's authority to use that water supply without any justification or offer of just

compensation. This is particularly true of the 6,900 AF of that supply conserved by AWA's investments and which the Water Agency has a clear right to use under Water Code section 1011.

- PG&E has offered to meet with AWA, but only to talk about selling water to AWA that the Water Agency already owns. AWA should not have to pay a second time for water its customers have already invested in. More important, it is very troubling to AWA's Board and management that PG&E would throw up roadblocks that deprive existing Water Agency customers of the benefit of their investments and the Water Agency of its authority to ensure water supply reliability, ability to extend new services within Amador County to serve new demands, and use of conserved water supplies for water transfers that would provide public benefits like groundwater replenishment within areas of the Mokelumne River watershed and generate revenues that AWA can use for major water system improvements and enhancements for its customers.
- AWA would welcome the support of any UMRWA members in the form of letters to PG&E's CEO and Chairman urging them to work with AWA on this important water supply issue to ensure that AWA has the necessary water supplies to sustain and improve Amador County's economy and to fully and flexibly use its authority to enhance water supply reliability for its customers and to cooperate with other water agencies outside of its service area in innovative projects like groundwater basin supplementation like any well-run, modern water agency.
- I am happy to provide you with additional information about this issue and a sample letter if you are interested in supporting AWA.

[*Amador County BOS Letterhead*]

July \_\_, 2018

Mr. Nick Stavropoulos  
President and Chief Operating Officer  
Pacific Gas and Electric Company  
Corporate Office  
77 Beale Street, Mail Code: B24W  
San Francisco, CA 94105

Dear Mr. Stavropoulos:

I am writing to you on behalf of the Board of Supervisors of Amador County to express the Board's significant concerns about the Pacific Gas and Electric Company's (PG&E) apparent refusal to cooperate with the Amador Water Agency (Water Agency) in providing water supplies necessary to serve citizens of our County. Although AWA is an independent county-wide agency, it was formed by a special act of Legislature to help ensure that citizens of Amador County have access to reliable, clean water. For that reason, this Board and County staff work closely with the Water Agency and strongly support its mission.

In that regard, the Water Agency's ability to make full use of the 15,000 acre-foot (AF) water supply entitlement and facilities, which it acquired from PG&E in 1985 to serve the needs of customers of the former PG&E Amador Water System serving the lower, most populous part of the County, is vital to the health of Amador County's economy and ability to ensure that it can accommodate existing and future demands with a clean, reliable water supply. This consumptive water supply is incidental to PG&E's operation of its FERC Project 137 hydroelectric generation operation. Citizens of Amador County rely on surface water supplies diverted from the Mokelumne River because there are no other reliable water sources in Amador County for municipal services. All five cities in Amador County and surrounding areas depend 100 percent on the 15,000 AF annual contractual right diverted from the Mokelumne River.

We understand that PG&E's staff and outside attorneys recently advised the Water Agency that PG&E is not willing to comply with a request to serve a small portion (69 AFA) of this water supply to the citizens who live on the north shore of Lake Camanche, unless the Water Agency agrees to comply with a number of onerous conditions. Providing this new service is necessary to ensure the residents of this area have access to a more reliable supply of high quality water. Most notably, PG&E staff and outside attorneys demanded that the Water Agency pay PG&E for supplying water to this new in-County service, even though the Water

Mr. Nick Stavropoulos  
Pacific Gas & Electric Company  
July \_\_, 2018  
Page 2

Agency already paid for the use this supply in 1985 and even though PG&E could provide the requested new supply from the large amount of water the Water Agency has conserved in the past two decades with significant investments by existing customers.

We are very disappointed by PG&E's refusal to be a good corporate citizen and cooperate with the Water Agency. Absent the Water Agency's ability to fully utilize the water supply acquired from PG&E to the extent permitted by law, we cannot ensure that our citizens have access to clean, healthful Mokelumne River water supplies. PG&E's failure to do the right thing is particularly disheartening because agreeing to cooperate with the Water Agency's request would have no impact on the profits PG&E has earned from generating electricity through its powerhouses located in our County in past decades and that it will continue to earn in the future.

We urge PG&E executives to meet with the Water Agency as soon as possible to work out a plan to ensure that the Water Agency is afforded full access to the water supplies it has acquired from PG&E and conserved through investment of our citizens' money. We understand that PG&E continues to hold the consumptive water rights to the supplies it is obligated to deliver to the Water Agency for its beneficial uses. One obvious solution to the current dispute would be for PG&E to transfer those rights to the Water Agency, subject to a mutually-acceptable coordinated operations agreement between the two parties to ensure continued efficient operation of Project 137 and any necessary regulatory approvals.

Sincerely,

Lynn Morgan  
Chair  
Amador County Board of Supervisors

Cc: Forrest E. Miller, Chair of the Board, Pacific Gas & Electric Company  
Richard C. Kelly, Chair of the Board, PG&E Corporation  
Geisha J. Williams, CEO & President, PG&E Corporation  
Board of Directors, Amador Water Agency