



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Michael Glaze, General Manager

DATE: June 21, 2006

RE: General Information (regarding matters not scheduled on the agenda)
6/27/06 Board of Directors Meeting

Environmental & Safety Manager Recruitment

The management team interviewed seven applicants on May 24 and 25. Although we had the good fortune to have many very qualified candidates, it was the unanimous recommendation that I offer the position to Scott Alcantara. Scott accepted the position and will begin work on July 5. We'll introduce him to you at your July meeting.

Mr. Alcantara was previously employed as a Compliance Specialist for Calpine Corporation-Sutter Energy Projects in Yuba City, and prior to that for Citizens Utilities (now Cal-American Water) in Santa Rosa. In addition to having experience in both water treatment/distribution and power generation, he is also a qualified D3 water distribution operator and a T3 water treatment operator, certified by the Department of Health Services. What is so appealing about Mr. Alcantara is that he can season his experience developing, implementing and training safety, health, and regulatory compliance programs with experience working in the water and power industry. Although all of the interviewed candidates were well qualified in the fields of environmental and safety regulatory compliance, only Mr. Alcantara had a background in water and power.

Relicensing

Attached is a project status report from DTA's Jim Lynch through the end of May.

Please remember the special board meeting on July 11 at 10:00 am to review the draft license application (DLA) that is scheduled for distribution to resource agencies and other relicensing participants on July 27. This is a voluminous document and we will try to get your copies to you for review as soon as possible.

Power Marketing

Although there have been no meetings with PG&E representatives since the ACWA conference in May, they have been investigating financing opportunities for the dam-crest/spillway modifications that will be needed to accommodate the latest PMF (probable-maximum flood) statistics. PG&E is required to fund those FERC-required improvements under the terms of the current power-purchase agreement and they

are evaluating financing opportunities that would be enhanced if they continued to purchase our power after the end of that agreement in 2009.

Surplus Water Agreements

Applications for surplus water have been received from and approved earlier this year for the following:
Pacific Coast Producers (from the Palermo Canal);
Young Life (from the Forbestown Ditch); and,
Moline Goff (from the Bangor Canal system).

During the past month a surplus-water agreement for Bob Hammett was completed during the past month for 2,700 miners inches from the Bangor Canal. These are all long-term surplus-water customers and the agreements are carbon copies of previous years. These agreements have been approved in conformance with Policy #480.

Special Districts Candidate Filing Period

The County Registrar of Voters (Candace Grubbs) has published the calendar of events for the November 7, 2006 consolidated general election, with July 17 through August 11 being the filing period for special districts candidates. During this window of time, Declarations of Candidacy, along with the Candidate's Statement of Qualifications, may be obtained from and filed with the County Elections Office at 25 County Center Drive.

Annual Facilities Tour

The itinerary for the tour - Wednesday, June 28, the day after the Board meeting - is attached.

Invitations were sent to 72 people, and we anticipate that 30 to 35 will be attending.

BCSDA General Membership Meeting

Pia Sevelius, Manager for the Butte County Resource Conservation District, will be the speaker at the BCSDA General Membership Meeting and Dinner to be held on Friday, July 21, 2006 at Marie Calendar's Restaurant, 1910 East 20th Street in Chico. Please let Jennifer Slinkard know by Wednesday, July 12, if you plan on attending.

July Board Meeting

Neither Matt Colwell or I will be able to attend the July 25th Board meeting. Please let me know if you would like to schedule that month's meeting a week earlier because you believe we are so invaluable that the meeting couldn't function without the two of us there (although Matt won't be available that week either).

SOUTH FEATHER WATER & POWER AGENCY

FACILITIES TOUR

**COMMENCING AT SFWPA BOARD ROOM
2310 ORO-QUINCY HIGHWAY
OROVILLE, CALIFORNIA**

WEDNESDAY, JUNE 28, 2006

AGENDA

- 8:00 - 8:15 am Continental Breakfast and Introductions ♀ ♀ ☎
- 8:15 - 9:20 am Orientation ♀ ♀ ☎
- 9:20 - 9:30 am Travel
- 9:30 - 9:50 am Canal Lining Project
- 9:50 - 9:55 am Travel
- 9:55 - 10:10 am Miners Ranch Solar Photovoltaic Generation Facility
- 10:10 - 10:15 am Travel
- 10:15 - 11:15 am Miners Ranch Treatment Plant ♀ ♀ ☎
- 11:15 - 12:30 pm Travel
- 12:30 - 1:30 pm Big Top BBQ Lunch – Sly Creek Campground ♀ ♀
- 1:30 - 2:45 pm Travel
- 2:45 - 3:30 pm Woodleaf Powerhouse ♀ ♀ ☎
- 3:30 - 4:30 pm Travel
- 4:30 pm Adjourn at SFWPA Office ♀ ♀ ☎

♀ ♀ Restrooms available
☎ Telephone available



Devine Tarbell & Associates, Inc.
Consulting Engineers, Scientists, & Regulatory Specialists

Principals:
John J. Devine, P.E., President
John C. Tarbell, P.E.
James M. Lynch
Edwin C. Luttrell, P.E.

February 21, 2006

TO: Mike Glaze
General Manager

FROM: James Lynch
Project Manager

SUBJECT: South Feather Power Project Relicensing
(FERC Project No. 2088)
Budget Status & 2006 Budget Recommendations

This memorandum provides a status of the budget established under the January 2002 Consulting Services Agreement (Agreement) between the South Feather Water and Power Agency (SFWPA) and Devine Tarbell & Associates, Inc. (DTA). Also included are recommendations for budget adjustments to cover the 2006 Calendar Year. My last memorandum covering budget adjustments for 2005 was dated April 21, 2005.

OVERALL SUMMARY

Overall, the work is on schedule. All planned 2005 fieldwork is complete. A draft Exhibit E, which includes 10 resource reports that will be included in the draft license application (DLA) and license application (LA), was included in the September 2003 First Stage Consultation Document (FSCD). We revised the FSCD Exhibit E to include the results of the 2004 relicensing studies and issued the Revised Draft Exhibit E in March 2005. We received comments on the Revised Draft Exhibit E from Relicensing Participants in April 2005. By early January 2006, we revised and reissued 8 of the 10 resource reports (Consumptive Water Use and Water Quality, Botanical Resources, Wildlife Resources, Recreational Resources, Land Management and Use, Aesthetic Resources, Air Quality, and Geology and Soils) to address Relicensing Participant comments and include results of 2005 relicensing studies. We expect to issue the other two resource reports (Aquatic Resources and Cultural Resources) in March 2006. In addition, in late 2005 we initiated discussions with Relicensing Participants regarding the development of resource management measures. While the final two resource reports are a bit behind schedule, we are on schedule to distribute the DLA in July 2006 and the LA in March 2007.