

Utica Water and Power Authority FERC Exemption Applications

Frequently Asked Questions

1. How much is FERC relicensing for the Utica Project P-2019 and Angels Project P-2699 expected to cost?
 - Initial cost estimates based on similar FERC project relicensing costs in the region indicated relicensing Utica's two hydropower projects in 2033 could cost up to \$10 million.
2. What is the timing of relicensing those projects?
 - Utica would need to file its intent to relicense in 2028, which is five years prior to the license expirations. The relicensing process itself could take many years, and FERC relicensing are often delayed and the existing license may be extended until relicensing is complete.
3. What are the ramifications for the community and Utica of going through the FERC relicensing process for both projects?
 - Utica does not have enough funds in reserves to pay for relicensing. The costs of relicensing would have to be passed on to water ratepayers in Murphys, Douglas Flat, Vallecito, and Angels Camp, or Utica would need to take on debt which also impacts ratepayers over the long term. Utica does have the funds to continue to take care of our water system and ensure we remain good stewards of our resources
4. How did Utica find out that a FERC exemption was an option?
 - Utica management and Board members have discussed the option of seeking a FERC exemption for many years. In 2021, Utica conducted a Long-Term Operational Analysis that looked at several options (including decommissioning the powerhouses) to evaluate how we can protect and operate our water system while meeting the needs and economic realities of our community. That analysis concluded that pursuing a FERC Exemption was the best option for Utica moving forward. Initial discussions with FERC staff in Washington D.C. indicated Utica's two hydropower projects qualify for a Conduit Exemption authorization from FERC.
5. What led Utica to determine pursuing FERC Exemptions made sense
 - A FERC Exemption is issued in perpetuity and thus is expected to be less costly than relicensing every 30 years. This means Utica would have to go through the relicensing process every 30 years for the remaining life of the projects. FERC Exemptions are issued in perpetuity, and Utica would never have to relicense the hydro projects again, which would create substantial operational efficiencies and savings for our community now and for future

generations. It is important to note that we are committed to continuing to be good stewards of the natural resources. This process is not about getting out of our environmental or operational responsibilities. Similar to other water supply systems in the state, our projects would still be required to comply with and follow applicable federal, state, and local regulations and environmental protection measures.

6. When did Utica decide to pursue an Exemption and what has the process looked like so far?
 - The Utica Board of Directors directed staff to pursue a Conduit Exemption in 2022, and Utica began working with a team of consultants and legal counsel on the process. Over the course of 2023, Utica met with key stakeholders to discuss the Exemption process and worked toward developing draft FERC Conduit Exemption Applications. On December 20, 2023, Utica circulated the draft Exemption applications to more than 60 potentially interested parties. A Joint Meeting and Site Visit was held in Murphys on January 25, 2024.
7. What are the benefits of FERC Exemptions?
 - It provides more long-term stability in regulatory requirements and allows us to better work within a framework that is primarily driven by state and local agencies, rather than funneling most regulatory compliance through a single federal agency. We think most agree that California, probably more than any other state, has adequate environmental and regulatory oversight to ensure we are held accountable to protect the community's water and natural resources. Under an Exemption, Utica could work more directly with Tribes, State and local agencies to manage the water supply system more efficiently and cost effectively, while continuing to be a good steward of the natural resources we manage. An Exemption would also reduce the need to increase water rates related to Utica for the residents of Murphys, Douglas Flat, Vallecito, and Angels Camp.
8. How much is the Exemption application process expected to cost?
 - We'll have more information on anticipated costs in the coming months. In many cases, costs will depend on the findings of environmental surveys, which are expected to take place in 2024. We expect the process of applying for Exemptions will cost less than relicensing, but it is important to note that these costs would be a one-time cost, versus a reoccurring cost every 30 years.
9. What's the expected timeline of the FERC Exemption application process?
 - We expect the FERC Exemption process will take approximately four years from start to finish. We are starting the second year of the process.
10. How many comment letters has Utica received on the draft applications? How many were in support, neutral, and opposed?

- So far, 28 comments have been submitted. 24 of the comments were in support of the applications, three were neutral, and one raised concerns.

11. What are the next steps in the comment review and response process?

- Utica is in the process of reviewing comments on the draft applications. At an upcoming Board meeting, staff will present an overview of the comments, requested studies and other near-term action items. We will also discuss the costs and schedules for any early studies we plan to initiate and updates to our estimated costs to complete our efforts to submit final Exemption applications.

12. What is Utica's response to the comment letter from the California Sportfishing Protection Alliance?

- We have been in communication with representatives from CSPA over the past several months, and we understand they raised some concerns. First, we appreciate their dedication to protecting and preserving our community's natural resources. Prior to submitting their comments, we were able to have a good conversation with CSPA staff to better understand their concerns, some of which are specific to our projects and some of which are about the Conduit Exemption process. We take all comments seriously and look forward to addressing the concerns raised. Our goal is to provide the information needed to address their areas of concern and see if we can find a way to have CSPA support this effort.

Summary of comment letters received by March 25, 2024

Letters of Support

1. Union Public Utility District
2. City of Angels
3. Senator Marie Alvarado-Gil
4. Calaveras County Board of Supervisors
5. California Valley Miwok Tribe
6. Murphys Community Club
7. Congressman McClintock
8. Dogtown Ditch Association
9. Bottomley Family Trust
10. Bill Airola, Angels Camp rancher
11. Calaveras Foothill Firesafe Council
12. Calaveras Band of Mi-Wuk Indians
13. Calaveras Public Utility District
14. Ironstone Vineyards
15. Assemblyman Jim Patterson
16. Ebbetts Pass Fire District
17. Murphys Sanitary District
18. Larry Thompson, Murphys resident

19. Calaveras County Water District
20. Dick Rolleri, Angels Camp rancher
21. John Kessler, Chief Dam Safety Engineer
22. Kautz Farms
23. Murphys Business Association
24. Don Peirano, Angels Camp rancher

Neutral letters:

1. United States Forest Service
2. California Department of Fish and Wildlife
3. State Water Resources Control Board

Letters not in support:

1. California Sportfishing Protection Alliance