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NEWS RELEASE

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FOR IMMEDIATE RELEASE

PCWA ACTS TO PROTECT INTEGRITY OF PG&E WATER SUPPLY

AUBURN, Calif. (February 20, 2019) — In the wake of Pacific Gas & Electric's (PG&E) recent bankruptcy filing, the Placer County Water Agency (PCWA) is warning of potential threats to the water supply and reliability of nearly 200,000 Placer County residents should PG&E liquidate its Drum Spaulding Project.

PG&E's Drum Spaulding Project is a complex array of gold rush mining canals, reservoirs, and hydroelectric facilities that has been in operation since the late 1800's; it has been described as the most complex water system in the United States. PCWA and the Nevada Irrigation District (NID) assumed most of PG&E's retail water service responsibilities from the Drum Spaulding Project in the mid 1900's, but the project still supplies 175,000 acre-feet of water annually – water that is used to fire-proof urban landscapes, support local agriculture, and supply clean and reliable drinking water for Placer County residents.

“Although there is no way to know at this early stage how PG&E's bankruptcy will unfold, it is vitally important to remember that numerous Sierra Nevada foothill communities still rely on PG&E as a water utility,” said PCWA General Manager Einar Maisch. “If recent news reports are true, that the California Legislature and the Public Utilities Commission are considering the divestiture of PG&E assets to fund its liabilities, it could have disastrous consequences.”

PCWA Board Chairman Mike Lee stated, “The water supply from the Drum Spaulding Project has always served the needs of the local residents, even before the system was purchased by PG&E over a century ago. While we hope that PG&E can continue to own and operate the system as it moves through Chapter 11 proceedings, it is prudent for PCWA and NID to plan for a future of local ownership of the Drum Spaulding.”

Planning for such a contingency, the PCWA Board of Directors has executed an agreement with the NID to study the long-term feasibility and cost of jointly acquiring PG&E's Drum Spaulding Project.

"While nothing in the agreement with NID requires acquisition, we must be prepared to act should the necessity arise," said District 2 Director Primo Santini. "Management of this critical infrastructure must remain local, with those who understand and appreciate its complexity and possess the expertise to continue operating the project reliably."

District 4 Director Robert Dugan added, "As a Board, we have to do everything we can to protect our water supply and reliability for customers."

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About PCWA

PCWA is the primary water resource agency for Placer County, California, with a broad range of responsibilities including water resource planning and management, retail and wholesale supply of drinking water and irrigation water, and production of hydroelectric energy.