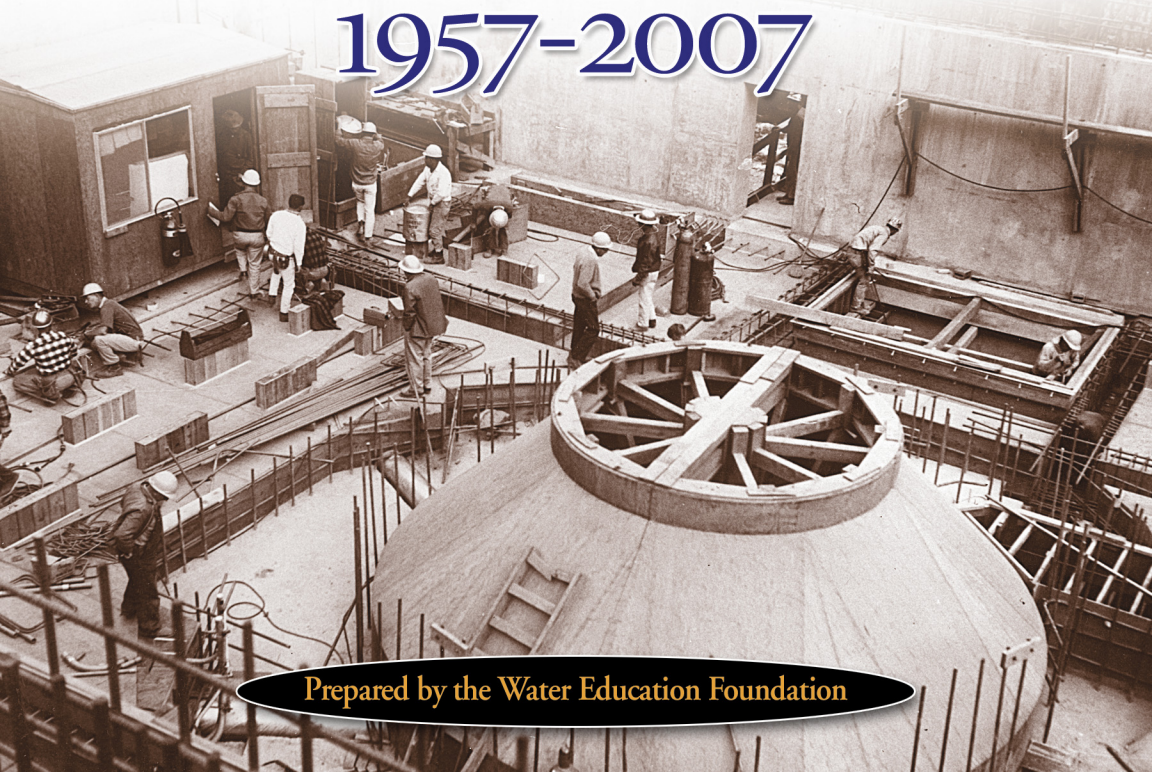




# A HERITAGE OF WATER:

THE GOLDEN ANNIVERSARY OF  
THE PLACER COUNTY WATER AGENCY

1957-2007

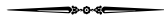


Prepared by the Water Education Foundation

# a Heritage of Water:

The Golden Anniversary of  
the Placer County Water Agency

1957-2007



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## Credits

*This book was prepared and published by the Water Education Foundation in conjunction with the Placer County Water Agency. The book tells the story of Placer County water from its role in the Gold Rush to the formation of the Placer County Water Agency, which has managed the county's water resources for 50 years.*

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On the cover: Hell Hole Reservoir (top) and building the Middle Fork Project



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# Foreword

by David A. Breninger  
General Manager  
Placer County Water Agency

On behalf of the Placer County Water Agency Board of Directors, I am pleased to introduce *A Heritage of Water*. This book commemorates the Agency's Golden Anniversary of service to the people of Placer County.

This 50th anniversary edition is a significantly updated version of a booklet first prepared by the Agency in 1977 by the late Placer County writer Janet Dunbar Fonseca (1920-2005). While the initial volume focused on formation and the first 20 years of the Agency, this revised edition is greatly expanded and takes in many important accomplishments of the Agency as we celebrate our 50th anniversary.

The book strives to depict through words and photographs the past and present of the rich water resources that nurture the watersheds throughout our county and the water resources that are interwoven into the very fabric of life enjoyed in Placer County.

*A Heritage of Water* highlights some of the historic water resource issues important to the county at Lake Tahoe and the Truckee River basin; the Rubicon River and the North and Middle Forks of the American River; and the Yuba, Bear and American River systems.

*A Heritage of Water* is a means to extend appreciation and gratitude to the tireless

*A hallmark of the Agency's half-century is the outstanding leadership that has governed the Agency. These elected, dedicated public policy leaders have demonstrated vision and foresight in preparing the Agency for the 21st Century.*

# Foreword

*Continued*

dedication and energy of previous generations to preserve and protect Placer County's water resources for this and future generations. This edition particularly recognizes the many people who conceived and built the Agency's Middle Fork American River Hydroelectric Project. Their foresight led to development the Agency's water rights and construction of the Agency's extensive hydroelectric power generation system. And, this achieved all within our county's own "area of origin" on the Middle Fork American River.

We anticipate that you'll find *A Heritage of Water* interesting and informative about our first 50 years and the basis for the Agency to build upon in the decades ahead in serving the people of Placer County.

A hallmark of the Agency's half-century is the outstanding leadership that has governed the Agency. These

elected, dedicated public policy leaders have demonstrated vision and foresight in preparing the Agency for the 21st Century.

And working day in and day out for a half century have been dedicated teams of employees who administer, operate and maintain the Agency's activities, facilities and services. It is to all of these men and women that I extend a THANK YOU for your dedication and "service above self". Our current and retired employees are the heart and spirit of the water agency today. They reflect the image and dedication – built over 50 years – that the public has come to know and respect as the Placer County Water Agency.

This book traces the Agency's evolutionary history of governance and management as well as the ever-expanding scope of services and activities involving evolving around our county's water resources. •

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# ONE

## CHAPTER



# The Genesis of the Placer County Water Agency

**F**or a half-century the Placer County Water Agency has served an area ranging from its western border in the valley with Sacramento County to the Sierra Nevada and Lake Tahoe on the east. Then-Governor Goodwin Knight signed the law that established the new government agency on September 11, 1957 to develop its water rights within Placer County for an adequate supply of water for the people of the county. But the beginning of the Placer County water story reaches back to the Gold Rush and before.

The region is blessed by spectacular water resources. From Lake Tahoe and the Truckee River on the east, to the rushing American River and its tributaries in the center, and the Bear River and many local streams flowing west from the foothills – the county boasts abundant supplies of fresh, clear mountain water. The same rivers, running for millennia through California mountains eroded gold-bearing quartz lodes and sent the precious yellow mineral into stream beds. Just such a gold deposit in the Sierra foothills caught the eye of James Wilson Marshall in January 1848 along the South Fork of the American River where he was building a sawmill in





*GRANDPA HAYFORD, STANDING WITH PICK, AND OTHERS BUILD A WATER FLUME IN 1882 NEAR SECRET TOWN EAST OF COLFAX. PARTS OF THE PLACER COUNTY WATER AGENCY SYSTEM DATE BACK TO THE GOLD RUSH.*

Coloma. His discovery led to the California Gold Rush.

Four months later another man, 37-year-old Claude Chana – born into a peasant family in France, he’d come to America first to New Orleans and had joined the California Company to travel west in 1846 – left from Johnson’s Ranch near the present boundary between Placer and Yuba counties. Chana planned to travel to the site of the gold find in Coloma when he stopped 15 miles away at the Auburn Ravine.

In an account he provided decades later, Chana recalled dipping a dish-shaped wooden basket known as a “batea” in the water and finding gold

in the ravine in 1848. More interested in farming than mining, the native of France later brought land on the south bank of the Bear River close to Johnson’s Ranch and planted an orchard.

The ’49ers who followed the 1848 gold discoveries to come to California and the Sierra foothills quickly learned that water was crucial in the hunt for the precious mineral – and its extraction. “Placer” comes from an early Spanish gold mining term meaning a place near the bank of a stream where gold could be found. “Placer mining”

became known as washing for gold or minerals with water.

Panning for gold in rivers and streams – the practice often shown in drawings of a bearded miner hoping to strike it rich – mimics the action of waterways that separate gold, which is heavier than other common minerals and rocks. Swirling sediment in the pan washes out lighter minerals.

Along with the simple work of gold panning, miners built ditches to provide water to wash gold-rich soil. They also diverted water into channels to work dry river beds. Hydraulic

mining used canons to shoot water at mountain sides, with the resulting muddy stream directed through a sluice to catch bits of gold. “The mountain torrents of the Sierra,” a mining history said of the rivers, “caught on their way to the Pacific have been forced to pause to do the work of man.”

The Gold Rush was a glorious but not always prosperous episode in Placer County history. “Auburn is, at the present time unusually dull,” the Placer Herald newspaper stated in July 1854, “this is owing no doubt, to the fact that the mines within our district are not paying sufficiently to warrant miners working in them at this season

*HYDRAULIC MINING USED CANONS TO SHOOT WATER AT MOUNTAIN SIDES, WITH THE RESULTING MUDDY STREAM DIRECTED THROUGH A SLUICE TO CATCH BITS OF GOLD.*





*THE FORESTHILL COVERED BRIDGE OVER THE AMERICAN RIVER CIRCA 1875-1911*

of the year.” Hydraulic mining – blasting hillsides with water to separate gold from dirt, spurred protests from farmers about the debris sent into rivers by the practice – was among new enterprises that extended gold’s role in the region. But a landmark California Supreme Court ruling in 1884 helped to end hydraulic mining. As gold mines faded, the network of water ditches first built to get gold and that still ran through Placer County served a new enterprise. Orchards of plums, peaches, pears and apples – picked, packed and transported by the Central Pacific trains that ran on the railroad tracks built in the 1860s – were Placer’s new gold.

Sales of irrigation water to growers gave a new life to canal companies that had supplied the mines.

By the late 19th century preserving Placer County waters for local use grew paramount.

A newspaper during that era noted the importance of the resource in the region. “Give us plenty of water and Placer is exceedingly rich. Did we say give us the water?” the paper continued. “That was wrong. Water we have in abundance. We should have said give us nerve and endow us with sufficient enterprise to conduct the large streams, now running through our mountain

passes to the sea, into channels made by man where it will be properly under man's control and at his disposal, and wealth unsurpassed and unheard of before will be ours to boast of and to enjoy."

These local water resources were not going unnoticed outside the region.

Outside interests had their eyes on Placer County water. Entrepreneurs elsewhere in the state saw promise in the water and power business. Studies about transporting water from the Sierra began as early as 1870 when a congressional bill provided a grant of land to the Lake Bigler & San Francisco Water Company for construction of a water supply system from Truckee to the San Francisco Bay Area. Lake Bigler? The alpine lake now known as Tahoe was earlier so named for a California governor.

The proposed supply system eyed in 1870 was to send 1 million gallons of water daily from Lake Tahoe to the Bay region. A.W. Von Schmidt, representing San Francisco, presented a plan

*These local water resources were not going unnoticed outside the region.*

before the State Water Commission in 1877 to divert water from the Truckee River by boring a tunnel from the Truckee area to Soda Springs on Donner Summit. Also proposed were stone dams on the Truckee River and a stone-lined

canal from Soda Springs along the North Fork of the American River to Auburn. A large reservoir near Auburn would store the water for eventual transportation. But the ambitious proposal died, facing opposition that included Placer County voters who refused to pay a \$250,000 local share sought by state lawmakers.

San Francisco's thirst for Sierra water from the Truckee and American rivers then switched to the Tuolumne River in what is today's Yosemite National Park. The city later built a dam across the Hetch Hetchy Valley to provide water and supply hydroelectric power to San Francisco.

A water project in the Sierra important to Placer County was completed in 1893 at Lake Spaulding near Emigrant

Gap, 25 miles northeast of Colfax. The South Yuba Water and Mining Company enlarged the reservoir two decades later using special trains to deliver gravel for the project. Lake Spaulding drew its name from Gold Rush pioneer John Spaulding of New York. Shortly after coming to California, he'd written, "As soon as the snows melt, I plan to leave here and go back into the mountains about 100 miles. There a group of us plan to build a canal to carry water to the mines."

The American River was still seen as a potential water source for the Bay Area and Sacramento. Directors of the chamber of commerce in Sacramento met in 1898 to hear how water could come to the capital city from the North Fork of the American River near Auburn. Water, chamber officials were assured, could be piped in from a 47-mile line.

In the 1890s engineering surveys of the American River began for a separate proposal. The Colfax Sentinel reported in April 1901 that "some work is being done on the Giant Gap survey near Green Valley," referring to the area around Dutch Flat and Alta, 25 miles northeast of Auburn. "This is the area

that R.L. Dunn surveyed some years ago with a view of taking the water to San Francisco," the newspaper said. Within years Dunn, vice president of Sierra Water Company, finished his proposal. He planned four separate but interdependent commercial projects:

- A large hydroelectric development on the North and Middle forks of the American River.
- Lumber manufacturing from forests on the watersheds of the North and Middle forks.
- A large irrigation and domestic water distribution system for lands in southwestern Placer County and northwestern Sacramento County.
- Buying, subdividing and selling farm and orchard lands where water would be supplied for irrigation and domestic use.

Water rights, a sawmill and a lumber railroad were among property planned to be sold to provide funding for Dunn's project. "Hydroelectric power or development cannot be completed without timber manufacture preceding it," his report stated, "as reservoir construction indispensable to complete power development cannot economi-



*FRUIT LABELS FROM PLACER COUNTY ORCHARDS.*

cally be undertaken until several thousand acres of timber land, including the reservoir sites, are cleared.”

The ambitious plans didn’t gain financial backing.

By the early 20<sup>th</sup> century the glory days of Placer County’s gold mining were mostly a memory. “As one traverses the trail of the North Fork River ditch, which winds along the mountain side high above the rocky

river bed, a comparison of the past and present seems like a dream,” a Placer newspaper recorded early in the 1900s. “Where half a century ago all was bustle and excitement, now quietness reigns, and nothing is heard but the splashing and dashing of the river as it meanders toward the valley below.”

Water that no longer served mining interests, was still seen as a crucial commodity.

“Water! Water!” the Argus newspaper in Auburn headlined a story about a proposed water project. “Not plenty of water in winter when it rains and is not wanted, but plenty of water in summer, when it does not rain, and is needed. Not a small, sluggish mud laden stream, but a river of water; clear, sparkling and swift-flowing.”

Roseville was interested in water the privately owned North Fork Ditch Company had for a half-century diverted from the American River two miles outside Auburn through 25 miles of canals to the Folsom area. “Let’s go after the water and get it,” the *Tribune* newspaper in Roseville declared. A \$500,000 project could store flood water at sites including a reservoir formed from an immense, abandoned hydraulic mining pit in Canyon Creek near Gold Run, 10 miles outside Colfax.

Other plans to deliver Placer County water to other northern California communities were explored. Officials from the East Bay Municipal Utility District in Oakland inspected French Meadows east of Foresthill – decades later part of the site of the Middle Fork project developed by the Placer County

Water Agency – with representatives of the American River Water and Power Company. San Francisco lawyer Jay E. Russell, who owned 820 acres on both sides of the American River outside Auburn just below the confluence where the North and Middle Forks meet, pushed a plan in 1908 to take river water to San Francisco. Like many such efforts, it fizzled.

As electricity came into wide use – often made possible through the use of hydroelectric power relying on rivers – Placer’s potential was apparent. Pacific Gas & Electric Company captured Yuba and Bear River water in reservoirs and transported it through Placer County canal systems for hydroelectric operations. PG&E also began selling water to county residents for their domestic and agricultural use.

Local water projects, including enlarging old mining ditches, were undertaken to meet growers demand for irrigation. Workers in 1909 used horse teams and wagons to build the dam for the eight-acre, 25-foot deep Lake Arthur north of Auburn in just in two months.

The resources in the Sierra foothills continued to win notice. Mountain

rivers and canals, the Sacramento Daily Record newspaper said, “make Placer County one of the best-watered sections of the world.

“Here there can be no such thing as drought, for with water and irrigation each and every farmer theoretically controls his own seasons,” said the Record.

With water from the canal network begun in the Gold Rush, fruit growing remained the new identity of the Gold

Country region that included Placer County. “Much of the Mother Lode,” proclaimed the 1925 book *California: Where Life is Better*, “is now one great orchard.”

Meanwhile, year after year, the waters of the American River rushed downward, sometimes flooding lowlands before flowing to the Sacramento-San Joaquin Delta and on out through San Francisco Bay to the ocean. Controlling and using this water resource was a constant interest. Early studies of the American River were

*LAKE ARTHUR DAM DURING CONSTRUCTION.*





periodically dusted off and discussed, only to be again shelved amid politics. Placer County officials still feared other sections of the state would take the region's water to help supply rapidly developing California.

Hard times in the 1930s spurred a bid to bring back the hydraulic mining once prominent in Placer County. Congress passed measures easing requirements for the industry and Congressman Harry Englebright, a Nevada City mining engineer, secured legislation for high dams to be built to

hold mining debris. Congress provided nearly \$7 million for the work, including funding for the North Fork Dam on the American River, where Lake Clementine outside of Auburn was formed with the dam's completion in 1939.

Dams were built, but hydraulic mining didn't revive. Sierra winters had left equipment damaged and the mining industry faced issues such as PG&E's lawsuit in 1935 contending hydraulic mining contaminated Bear River water. Grit and sand were destroying turbines in the Halsey and Wise Powerhouse the utility operated

*WORK UNDERWAY IN 1939 ON THE NORTH FORK DAM THAT CREATED LAKE CLEMENTINE OUTSIDE OF AUBURN.*



in Placer County, PG&E said, naming You Bet Mining Company, Remington Hill Placers and Liberty Hills Gold Mines. The utility won an injunction halting all hydraulic mining in the river watershed.



*CONGRESSMAN CLAIR ENGLE*

The next decade saw increased concern over the fate of Placer County's water riches. Congressman Clair Engle, who succeeded Englebright in representing the district that included Placer County, warned in 1943 that in a conflict over water resources outside interests were set to jump in to take the water. Engle urged the county Board of Supervisors to "preserve local water rights."

"Protect Placer County's water," he advised. "A lot of eastern congressmen are not sympathetic with us." Laws allowed county boards of supervisors to hold water rights in the name of the counties, he added. "The county of origin has first claim on its water rights," Engle stated. "You have made (some) filings and other mountain

counties are beginning to wake up. Unfortunately some have delayed too long. We should proceed with reasonable diligence to protect Placer County's water."

A September 1948 resolution by Placer County Supervisors

authorized the Upper American River Project to develop the water resources of Placer County. The resolution declared that Placer County would apply for water, power and storage rights on the American River and its tributaries. The measure also proposed working with El Dorado County officials to develop a water project.

The five Placer County Supervisors, five county planning commissioners and one at-large member were appointed to a steering committee for the Upper American River project. In neighboring El Dorado County, the Sacramento Municipal Utility District would secure water rights to develop hydroelectric power for the Sacramento area.





# TWO

## CHAPTER



# Securing Placer County's Water

Local concerns grew as federal officials viewed the American River as a water source for the huge Central Valley Project, a U.S. Bureau of Reclamation (Reclamation) effort begun during the Great Depression to provide flood control and supply water to agriculture in the Central Valley. The project's service area extended from Shasta County in northern California to Kern County in the southern San Joaquin Valley. Local fears were renewed in the early 1950s with a federal proposal to construct Folsom Dam and reservoir on the American River. Local officials discovered the plan did not include meeting Placer County's water needs – and that the vast federal effort by Reclamation could place obstacles to Placer County's ability to do so.

The Upper American River Project Board, supported by El Dorado and Sacramento counties, adopted a joint policy statement presented to Congress: "A proposal to build a 1 million acre-foot structure completely ignores the legitimate claim to these waters made by the counties of origin," the three counties said.

“We do not agree with the Bureau of Reclamation’s proposal, nor do we agree that the Bureau of Reclamation should enter into the management of the waters of the American River.”

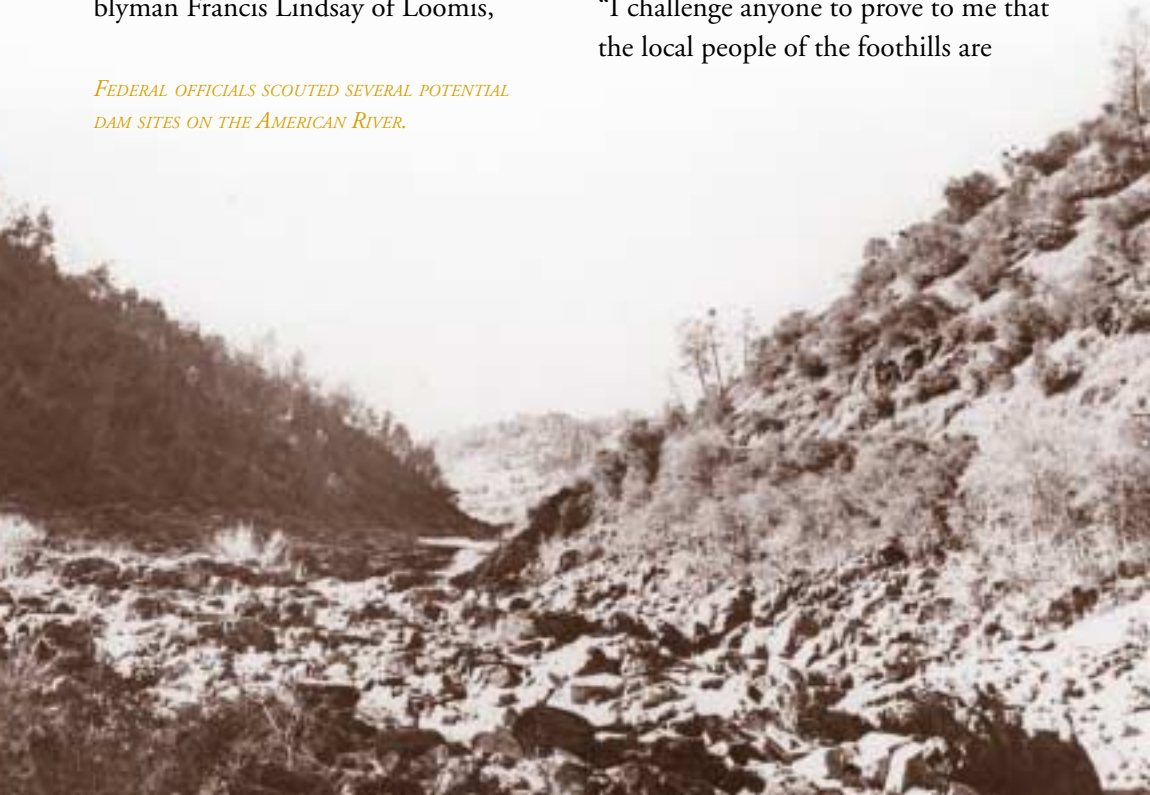
The resolution also noted that Placer County had contracted with the California Division of Water Resources (later the Department of Water Resources) and funded water development surveys. “It is our intention to use the water and we will do so,” said the document by Placer County.

Early in 1953, the Upper American River Project panel heard state Assemblyman Francis Lindsay of Loomis,

who represented the Sierra foothills, warn that “Placer County has an asset worth millions of dollars – or nothing! As California is developing, the water is running out. You must look ahead and take every step possible to have the water when you need it.”

Lindsay, a key spokesman for mountain counties fighting for their share of the water that originated locally, wanted to undertake projects without assistance from Washington, D.C. “I believe we should develop our own water without the so-called help of the federal government,” he said. “I challenge anyone to prove to me that the local people of the foothills are

*FEDERAL OFFICIALS SCOUTED SEVERAL POTENTIAL DAM SITES ON THE AMERICAN RIVER.*



incapable of developing their own water.

“I know we don’t have to wait for the great ‘white father’ in Washington to dole out a few nickels each year for our desperately needed projects in California,”

Lindsay said.

A strong entity allowing Placer County to aggressively protect and develop its water resources was needed. County government had completed the preliminary work but a new, independent agency was needed.

Lindsay, who helped make that agency possible, had long roots in the county. His family had come to the Loomis area in 1919 during a land boom that followed World War I.

He said his passion for farming – Lindsay owned more than 100 acres of plum and pear orchards and was a pioneer in using sprinkler irrigation – came from the boyhood he spent on his family farm west of Loomis. He attended a one-room schoolhouse for his first six years of education. His father was a successful construction



*ASSEMBLYMAN FRANCIS LINDSAY*

superintendent involved in building many of the largest bridges in the West. Both his father and mother came from farm families and they wanted to return to the land. They had done that in Loomis, but during the

Depression year of

1932, his parents lost the ranch they’d paid on for 13 years after the bank foreclosed on the property. Lindsay’s father returned to construction work and was superintendent of the pier construction for the San Francisco-Oakland Bay Bridge.

A graduate of Roseville High School, Lindsay completed college in 1936 at the University of California, Berkeley. He was elected to the Placer County Soil Conservation District and in 1948 to the State Assembly. “Farmer, Mine Owner, Conservationist” were listed as his occupations. His wife Margaret was born on the Placer County ranch where the couple resided. Her father was a pioneer orchardist in Placer and Yuba counties.

## Legislature Creates PCWA

Assemblyman Lindsay's bill created the Placer County Water Agency covering all 1,500 square miles within the county's border. The California Legislature approved the measure and Governor Goodwin J. Knight signed

the bill July 3, 1957 and it became law Sept. 11, 1957. County supervisors were appointed ex-officio directors; a policy amended nearly two decades later to provide for a five-member independently elected Board of Directors.

Ralph Brody, one of California's foremost water

*AUBURN IN 1955. THE HISTORIC COURTHOUSE IS CENTER.*



rights attorneys, was retained as legal consultant in 1957 and began work on the legal issues to establish a functioning water agency.

The prestigious international engineering firm of Porter, Urquhart, McCreary and O'Brien was selected to prepare a general plan for the development of Placer County's water re-

sources. With offices throughout the United States, the firm was known worldwide for its engineering expertise. The new, reorganized firm of McCreary-Koretsky Engineers succeeded them. Engineer Sanford Koretsky outlined a proposed Middle Fork American River Hydroelectric Project, located in the mountains east





of Foresthill, to Agency directors, who authorized the firm to proceed with the design of the project.

Attorney Ralph Brody withdrew as the Agency's legal counsel in January 1959 to become a special water counsel for newly elected Governor

Edmund G. "Pat" Brown. The Agency then retained the firm of Kronick and Moskovitz as legal counsel, the forerunner of the Agency's present counsel, Kronick, Moskovitz, Tiedemann & Girard. The Sacramento firm advised the Water Agency that a monthly retainer of \$400 would cover office work in Sacramento and meetings with the Agency in Auburn. Additional services would be at a \$150 a day rate, the firm said. Stanley Kronick had gained his experience in water law as an attorney for Reclamation for eight years.

At the same time that the Kronick and Moskovitz law firm was hired, Placer County also hired Edward J. Tiedemann as Assistant County Executive Officer to work on Water



*Gov. GOODWIN KNIGHT*

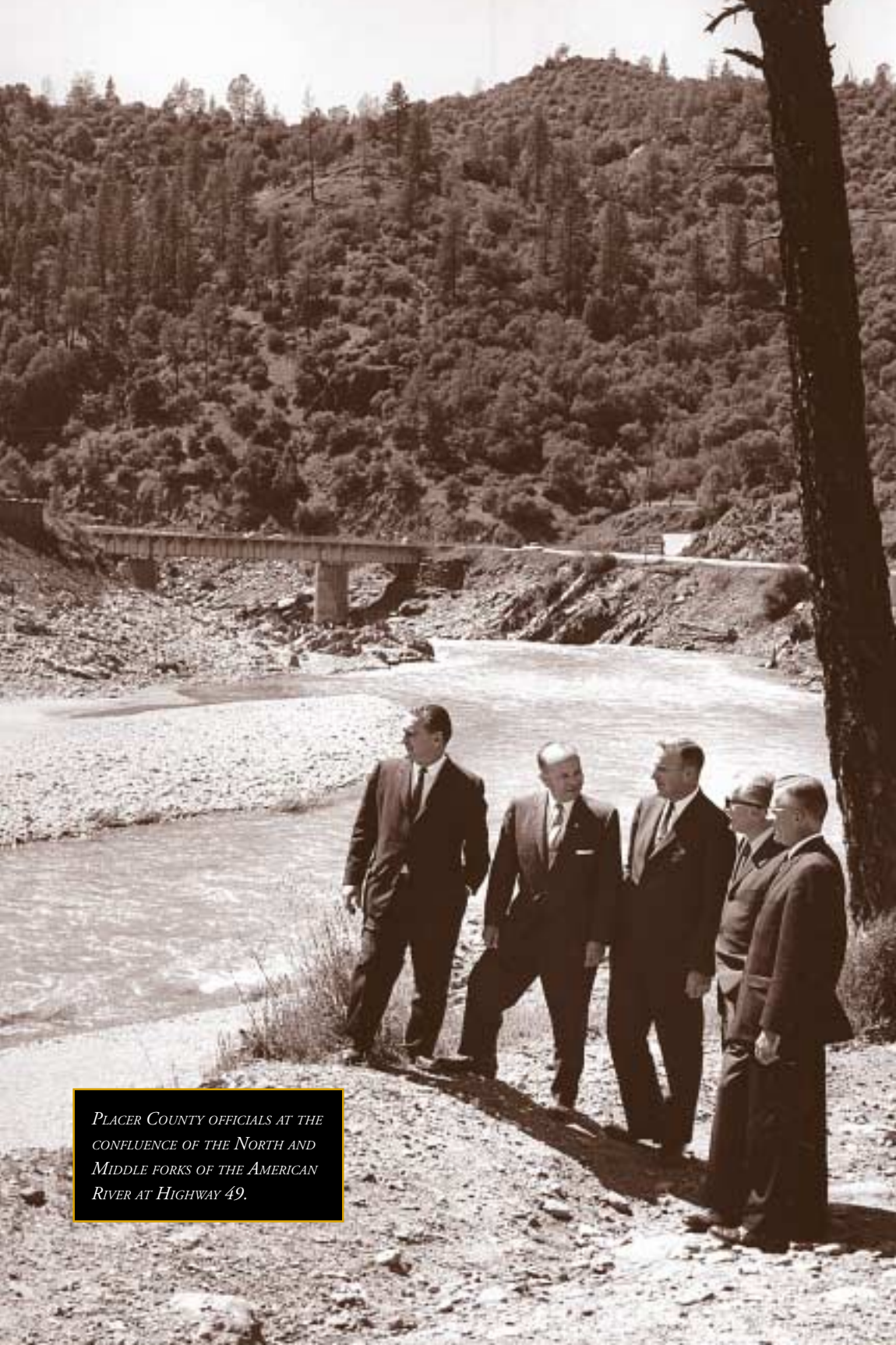
Agency matters and other issues.

Tiedemann, who would later receive his law degree and represent the Water Agency in his new role as legal counsel, recalled that the Middle Fork project hinged on finding a power buyer. "You

had to find somebody that would pay enough for the power so you could amortize the bonds that would be sold to finance the construction of the project."

PG&E, after lengthy negotiations, emerged as the candidate to buy power from the Agency. Tiedemann recalled meeting with the president of the utility in San Francisco. "We would go into his office and some days he would tell us, 'I don't think we have a project and it doesn't look very good. Oil is \$2 a barrel and the price is going down,'" the PG&E president would state.

"But he wouldn't close the door," Tiedemann recalled. "The utility president said, 'Maybe if your engineers can sharpen their pencils and the cut



*PLACER COUNTY OFFICIALS AT THE  
CONFLUENCE OF THE NORTH AND  
MIDDLE FORKS OF THE AMERICAN  
RIVER AT HIGHWAY 49.*

the cost a little, or up the output of power and come back I would be willing to look at it.’

“So we would come back from San Francisco discouraged but we kept going and the Board of Directors decided to keep pushing it,” Tiedemann recounted. “Next time PG&E would be a little more optimistic.”

The pre-design work, Tiedemann noted “was done before computers and this was all pen and ink and slide rulers and they would do it over and over.”

Water rights for the Middle Fork project also proved complicated. The Agency in 1957 had filed applications for the rights with what is now known as the State Water Resources and Control Board. The principal challengers were Reclamation, the city of Sacramento, Sacramento Municipal Utility District and the California Department of Fish and Game. Reclamation was the principal protestor.

“The Bureau had built Folsom Dam and was very powerful in those days,” Tiedemann recalled. “It thought the American River was a Bureau river and it hoped to build the Auburn Dam, which was not yet authorized.”

“But that’s what the Bureau hoped to do,” he said, “and it thought between Auburn and Folsom dams it would have the whole river. The Bureau wondered why this relatively pipsqueak county was getting in its way. Placer had about 50,000 to 60,000 people then and it was standing in the way of this huge federal agency.”

Reclamation was willing to talk however, because in order to get the Auburn Dam authorized, the federal agency had to go to Congress. Each congressional representative had his own project; it was very difficult to get a project authorized if you had local opposition, Tiedemann noted.

The Water Agency’s attorneys, Stanley Kronick and Adolph Moskovitz, prepared the case for settling its dispute with Reclamation over American River water rights and obtaining state water right permits for the project. They also assisted the engineers and special Washington, D.C., counsel in obtaining the federal license for the project.

In August 1959 Agency directors supported a motion stating that the proposed Auburn Dam wouldn’t adversely affect the Middle Fork

Project. “Our basic position,” said the statement on the dam, “is that we support it, provided, first that it does not interfere with the general plan for the county-wide water development” adopted by the Agency.

### Voters Support Middle Fork Project

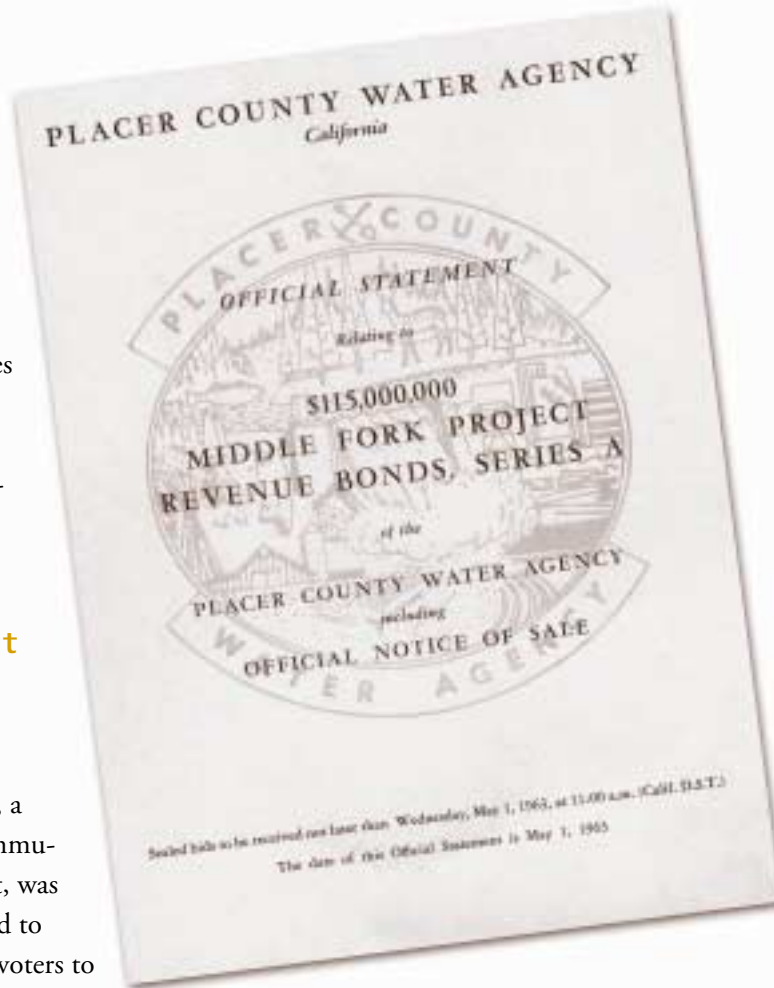
The late Auburn civic leader Harry Rosenberry, a native of the foothill community and lifelong resident, was among those who worked to convince Placer County voters to support the Middle Fork Project.

“I made speeches up and down the county before every service group,” once recalled Rosenberry, chairman of the Citizens Committee for a “yes” vote. Placer County residents pulled together after neighboring El Dorado County didn’t protect its water rights, he said, and the Sacramento Municipal Utility District acquired them. “The project,” an Agency director said,

“assures western Placer County of its full water needs for years to come.”

“Prosper with Placer,” read a question and answer sheet supporting the bond. “Vote Yes on Placer County’s Future.”

The project would store more than 400,000 acre-feet of water, the material noted. That would be enough to supply the county’s yearly water needs through



the end of the century, according to the election information.

“In this growing state of California, water is becoming as precious as gold. If Placer County doesn’t take advantage of this opportunity to develop its own resources, we are sure somebody else will take the water for their needs instead of ours,” the election material stated.

A group called Western Placer Landowners submitted an argument against the ballot measure. “There is evidence hydroelectric power will be obsolete, possibly in 20 years,” the group argued. “Electricity from nuclear energy, fuel cell and plasma sources must be taken seriously.

“Saving water for Placer County is offered as justification for the project,” Placer Landowners continued. “Anyone who believes southern California will take our water should contact the officials of the Metropolitan Water District (in Los Angeles County) or write and learn of the ridiculousness of that claim.”

*In this growing state of California, water is becoming as precious as gold.*

Robert Radovich, a Placer County Supervisor and supporter of the project, wrote about what he saw as the benefits. “Are we getting something for nothing? No. Nobody ever does. But this project does pay for itself. We have a

customer who is willing to buy our electric power until the entire \$140 million revenue bonds are paid off,” Radovich said in reference to PG&E.

Voters on June 20, 1961 approved the Agency’s bond issue by a 25-to-1 margin. The vote authorized a \$140 million revenue bond issue to finance the project.

Seven dams, five power plants, five tunnels and reservoirs that could hold about 350,000 acre-feet or roughly one-third the capacity of Folsom Lake were planned. Harvey Banks, former director of the California Department of Water Resources, served as a consultant to the project.

On March 5, 1963 a construction joint venture calling itself American River Constructors submitted the only

bid for the project. Henry Kaiser's Oakland-based firm along with three other major American companies and firms from Great Britain and Paris made up the consortium.

Kaiser Engineers, sponsor of the consortium, had a history going back to 1914 when Henry J. Kaiser founded the corporation that would participate in building Hoover Dam and

other major water projects in the West. Tiedemann said Kaiser induced the foreign firms to come into the project, hoping the English and French companies would share jobs with Kaiser for the tunnel planned to be built under the English Channel. But that future work did not develop for Kaiser.



# PG&E Progress

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## Power Sales Finance Big Water Development



SMILES come naturally when Water J. Paoli, seated center, signed the will pay some \$5,725,000 yearly to of the Water Project's hydroelectric

## Partnership is Key to Middle Fork Project in P

When Placer County voters were asked in 1961 to approve a \$140 million water-power project they did... encompassing 25 to 1 margin. ... were easy to trace, ... conserve

the Placer County Water Agency PG&E contract said: "Our board has felt that agreement with PG&E it would proceed with this project. annual income we could not... the only reason

The proposed contract required the project to be built for a guaranteed price with no provisions for cost overruns or extensions of time for

*KENNETH HOLUMS, INTERIOR DEPARTMENT UNDERSECRETARY, RETURNS PEN TO PCWA CHAIR FRANK J. PAOLI AFTER APPROVING THE CONTRACT ASSURING INITIAL FILLING OF FRENCH MEADOWS AND HELL HOLE RESERVOIRS. STANDING, L TO R, ACTING PCWA MANAGER JOHN BERNARD, WILLIAM S. BRINER, CHAIR OF THE PLACER COUNTY BOARD OF SUPERVISORS AND JOHN HAMILTON, U.S. BUREAU OF RECLAMATION.*

completion. “The Middle Fork Project was bid in a way you don’t bid projects today and you had very, very few of them bid that way even then,” Tiedemann said. “This was an absolute guaranteed fixed price contract.”

Minutes before the March 5 deadline, a Kaiser vice president brought the bid, described by the *Auburn Journal* as “stuck to the top of a yellow cardboard box with ‘Packaged With Pride’ written on its side and containing 40 pounds of blueprints and plans.”



The Federal Power Commission, the predecessor of today's Federal Energy Regulatory Commission, issued the Agency the required federal license for the project.

But before the directors could sign the contract with the consortium that included international firms, state lawmakers would have to amend "Buy American Act" legislation – and the California Legislature had never done that. The consortium's plans called for the Toshiba Company in Japan to make generators. The J.M. Voith Company of West Germany would make turbines. California's pre-WW II Buy American Act prohibited public entities from purchasing items not made in the United States. Other agencies had made unsuccessful efforts to obtain exemptions from the Buy American Act.

Assemblyman Paul J. Lunardi of Roseville and state Senator Ronald G. Cameron carried legislation to amend the law to provide that California's Buy American Act provisions did not apply to the Agency's Middle Fork Project. The initial bill passed both houses but a Senate addendum to it had yet to be approved by the Assembly. A May 2

deadline for the award of the construction contract drew near.

Another hurdle involved the proposed power sale contract with PG&E. The utility signed a 45-year agreement to pay the Water Agency for the power from the project. Insurance was required to compensate if water supplies didn't generate enough power during the first years of project operation. Dry years could mean not enough power would be produced to allow PG&E to make sufficient payments allowing the Agency to meet its initial obligations to the project bond buyers. Lloyds of London was the only possible source of such insurance. Time was running out. The Agency's insurance consultants negotiated with Lloyds in an effort to secure the needed coverage.

## A Drama Over Documents

The big day of April 30, 1963 arrived with final contracts scheduled for signing, yet neither the insurance issue nor the Buy American Act amendment had been resolved. Insurance negotiations were still in progress, and Paul Lunardi was lobbying the State Assembly for final passage of his bill.



Ceremonies were set for May 2, 1963 on the steps of the Placer County Courthouse in Auburn. Members of the Agency Board, lacking authority to proceed, met instead in chambers and conducted regular business. Spectators jammed the board room while TV news crews stood by. Directors nervously awaited word from their insurance consultants in Los Angeles and London and from legislators in Sacramento. At 11 a.m., a messenger brought word that Lunardi's amendment to the Buy American Act was still being argued on the floor of the Assembly. His first attempt at passage failed by a vote of 50 to 19; the measure required 54 votes for approval.

The Board of Directors recessed at noon with no word on the fate of the legislative measure. As the directors left the courthouse for lunch, they passed the long table and empty chairs that had been set up for their historic event. They must have wondered if this regalia would be returned to storage unused. In the rest of the county, however, most people were unaware of the drama unfolding at the courthouse. Merchants were looking for an increase in sales due to an influx of Middle Fork project

workers. School boards anticipated an increase in enrollments. When the board members returned from its noon recess, they were joined by representatives of the builders American River Corp., PG&E, local officials, attorneys, newspaper reporters and members of the public.

In Sacramento, Assemblyman Lunardi mustered all his forces, gathering 56 votes – two more than needed to pass the bill. He dashed to the governor's office only to find that the governor had retired for the day. Armed with the necessary document, Lunardi drove to the old Governor's Mansion on 16th Street, securing an audience with Governor "Pat" Brown. Impressing the governor with the urgency of his mission, Lunardi got the governor's signature and then, borrowing the governor's phone, he called Agency Chairman Frank J. Paoli and advised him of the bill's success.

"Now no one can toss a lawsuit in our laps and delay construction of the project," Paoli would comment of the successful amendment to the Buy American Act.

The Board still awaited word from its insurance consultants who were at



*DIRECTORS OF THE PLACER COUNTY WATER AGENCY AND OTHER OFFICIALS GATHER MAY 2, 1963 AT THE HISTORIC COURTHOUSE IN AUBURN FOR THE SIGNING OF CONTRACTS FOR CONSTRUCTION OF THE MIDDLE FORK PROJECT.*

that moment convincing the cautious Lloyds of London to write the Agency's insurance. Soon, an 11th hour call arrived with the assurance that "Lloyds is on the dotted line."

The Board was now able to sign contracts for construction of the Middle Fork American River Hydroelectric Project and for PG&E's purchase of the project's power. It was late afternoon when a weary Board, staff, interested parties, the press and the few county employees walked to the waiting tables on the courthouse steps where the belated contract signing ceremony took place.

Sanford Koretsky, one of the project engineers, said "From now on the people of Placer County who voted for this project will actually be seeing what they voted for. It's not just a plan anymore. It's a reality." A PG&E vice president attending the courthouse signing said, "We admire the enterprise which the directors and their associates displayed in surmounting many difficulties which arose in the formation of the project."

On May 21, at the securities vault of Bank of America's headquarters in San Francisco, the bonds financing the project went into a vault for safekeeping before their transfer to buyers.

Work on the Middle Fork Project could begin.





# THREE

## CHAPTER

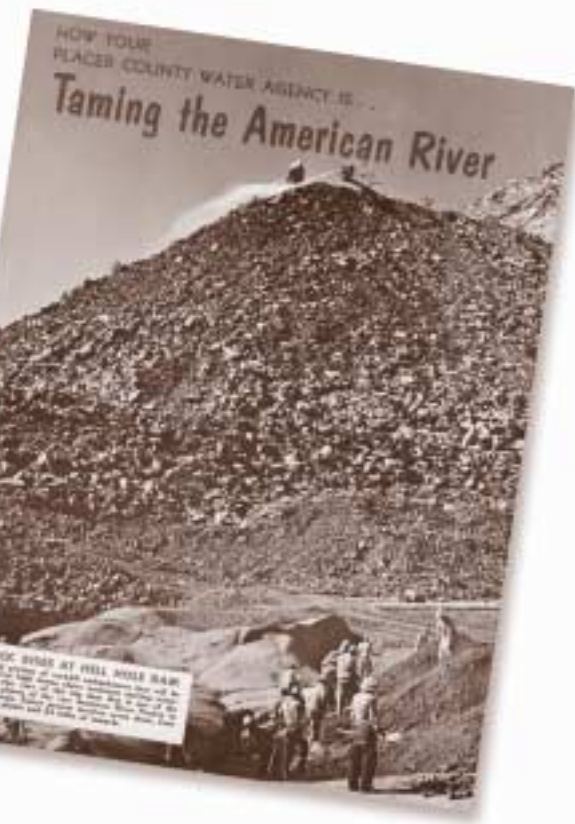


# Building the Middle Fork American River Project

Placer would be hailed as the first county in California to develop its own water and the Middle Fork effort as “a local project for local people.”

PG&E, which signed the pact to pay for power generated by the project’s hydroelectric plants, called the Middle Fork a “bold and imaginative undertaking” that would allow Sierra water to flow into western Placer County to spur the agricultural economy and serve a growing population. Engineering studies showed that the area’s water needs would be satisfied for at least a half-century through the project, the utility said.

Frank Paoli, chairman of the Board of Directors for the Water Agency, said “Without the partnership agreement with PG&E it would not have been possible to proceed with this project. Without the guaranteed annual income we could not have gone to bid. This contract was the only reason the bonds were sold and the



*AN OCTOBER 1964 REPORT ON THE MIDDLE FORK PROJECT BY A CONSTRUCTION COMPANY TRADE MAGAZINE SHOWED HOW ROCKS ROSE AT HELL HOLE DAM.*

only reason we obtained such a favorable interest rate.”

A reliable mountain water supply for Placer County was in sight – even as declining groundwater levels and new growth in western Placer County accelerated the need for such supplies.

Work on the project ran into a minor roadblock when 6-foot 6-inch cattleman Bernard Dobbas, said to have once killed a mountain lion with his

bare hands and a club, balked at Agency plans to relocate the cabin and barn he owned where French Meadows reservoir was planned. New facilities were built for Dobbas six miles from the site of his former cabin and his dispute with the Agency was eventually resolved.

Hundreds attended the groundbreaking ceremony held in June 1963 in a tent set up at French Meadows. Mrs. Frank Paoli, wife of the chairman of the Agency, pushed a plunger to set off a 1,000-pound blast of TNT for the project, praised as “the strongest and boldest water development in the state.”

Construction of the Middle Fork Project brought an immediate economic benefit to the county. Construction activities brought more than 1,000 workers and a monthly payroll of \$1.75 million. Workers spent thousands of dollars at county businesses and local entrepreneurs provided services to the project. The undertaking in the remote region of Placer County came with its surprises: a labor foreman working near Hell Hole suffered a rattlesnake bite on his foot. And a newspaper noted that among the hundreds of workers only a



single woman labored – a field clerk. “Her clear soprano voice is a familiar one to workers on the radio network and the telephone,” the story said. The only problem stemming from her job, she told the reporter, was that “when I go to other towns and pay a bill or cash a check, it is hard to convince the people my address is Hell Hole, Calif.”

An 80-year-old dam building expert was among those involved in the Middle Fork project. Consultant J. G. Growdon

*CONSTRUCTION UNDERWAY ON THE MIDDLE FORK PROJECT.*

viewed the area from helicopter. “I have worked on the building of a lot of dams,” he told Agency directors, “and the Hell Hole site is one of the best locations for a dam I have ever seen.”

The Middle Fork undertaking benefited by innovations such as a helicopter laying down a telephone wire linking the Ralston Power Plant on the Rubicon River with the planned



Oxbow Power Plant a mile away. The aerial effort accomplished in 12 minutes what would have taken two workers spending five days, the Auburn Journal noted. The water project was getting international interest. In February 1964 two governmental officials from Chile met with Agency representatives to discuss the project and make an aerial inspection under sponsorship of the California Department of Water Resources.

By October 1964, the huge water project was reported nearly half-finished. The federal government approved filling the reservoir behind

*OFFICIALS, INCLUDING JOHN BERNARD, GENERAL MANAGER FOR THE PCWA, AND DIRECTOR FRANK PAOLI, TOUR THE MIDDLE FORK PROJECT.*

the new dam on the Middle Fork of the American River at French Meadows. Work continued on the unfinished dam at Hell Hole Reservoir on the Rubicon River. The Hell Hole area, a Water Agency report would note, “is so remote and its terrain so arduous that 19<sup>th</sup> century maps show it as unsurveyed.”

Officials in 1964, Tiedemann recalled, wanted the rains to come to fill up French Meadows because they wanted to produce power. But it was a dry fall with no rain in October or

November. Concern rose that they might have to file a claim with Lloyds of London insurance. Then late in December it started to rain – for 24 hours straight. “Boy, everybody was happy; 48 hours of rain and they were even happier,” he said. “Seventy-two hours of rain and they were a little less happy as Hell Hole was only half done. The rain didn’t stop. It filled French Meadows.” Hell Hole Dam, not yet finished, was overtopped and washed out.

By December 23, 1964 torrential rains had dropped 67,000 acre-feet of water in French Meadows, filling it to more than half of its capacity. Storm waters burst through the Hell Hole Dam, which was only 20 percent complete. The Christmas week flood waters cascaded downstream and knocked out many bridges all the way to Folsom Lake.

The bridge across the American River outside of Auburn that linked

*DOWNSTREAM AFTER THE PARTIALLY COMPLETED  
HELL HOLE DAM BROKE IN DECEMBER 1964.*







*THE RALSTON AFTERBAY DAM. THE MIDDLE FORK OF THE AMERICAN RIVER AND THE RUBICON RIVER FEED INTO THE SITE.*

Placer and El Dorado counties fell after logs and debris swept down the waterway and struck the bridge.

“It appeared to sigh, sag and collapse,” a newspaper reporter wrote of the structure.

Legal issues now complicated the uncompleted Middle Fork Project. Diamond Springs Lime Company, which had a quarry outside of Auburn just within the El Dorado County border, filed a \$450,000 lawsuit in May 1965 against American River Constructors, the Agency’s engineers and the Agency, contending the Hell Hole Dam failure damaged the

company’s quarry properties. Ets-Hokin Corporation of San Francisco, headed by developer Jeremy Ets-Hokin – best known for later buying the site of San Francisco’s Playland at the Beach – sued over flood-related damages to several of the Middle Fork project powerhouses the company was building for the Agency.

More legal problems came when the American River Constructors filed a \$44.6 million lawsuit against the Agency and its engineering firm in 1966. The Water Agency responded by hiring as a special attorney Joseph Alioto, later Mayor of San Francisco. Alioto filed an antitrust action in federal court against the contractor. The action contended price-fixing and collusion to eliminate competitive

bidding in 1963 boosted the Middle Fork Project cost.

An El Dorado County Superior Court jury in June 1967, after a 29-day trial said to be the longest in that county's history, absolved the Agency and its engineers of negligence but found the project contractors liable to pay \$396,000 to the Diamond Springs Lime Company for flood damage.

Sixteen of the 19 members of the Placer County Grand Jury signed an interim report in November 1967 alleging mismanagement of the project and recommending that the engineers be discharged. The engineering firm filed a \$6.2 million libel suit against the 16 grand jurors who signed the report, suing them as individuals and stating that the firm had suffered corporate damage as a result of the report.

Work on the project continued and in June 1968, ceremonies were held outside Foresthill at Ralston Dam

*Work on the project continued and in June 1968, ceremonies were held outside Foresthill at Ralston Dam marking the opening of the system of dams, reservoirs, power plants and tunnels.*

marking the opening of the system of dams, reservoirs, power plants and tunnels. A Sierra College co-ed, who was the Maid of Placer County, served as theme girl for the dedication. Members of a Boy Scout Troop in Foresthill presented the colors. Placer was the first county in California to develop

its own water resources and claim water rights to local supplies.

“The Middle Fork Project has come to reality through the vision, the enterprise and the determination of the people who will reap its benefits,” William R. Gianelli, director of the California Department of Water Resources, said at the dedication ceremony, “Placer County’s alert people have shown unusual foresight in developing their water resources to the utmost in an unusual do-it-yourself undertaking.”

Robert Radovich, one of the Agency’s five elected directors, said, “In a time when there are more people

tearing down things than building them up, it is good to see just what some of the builders are building.”

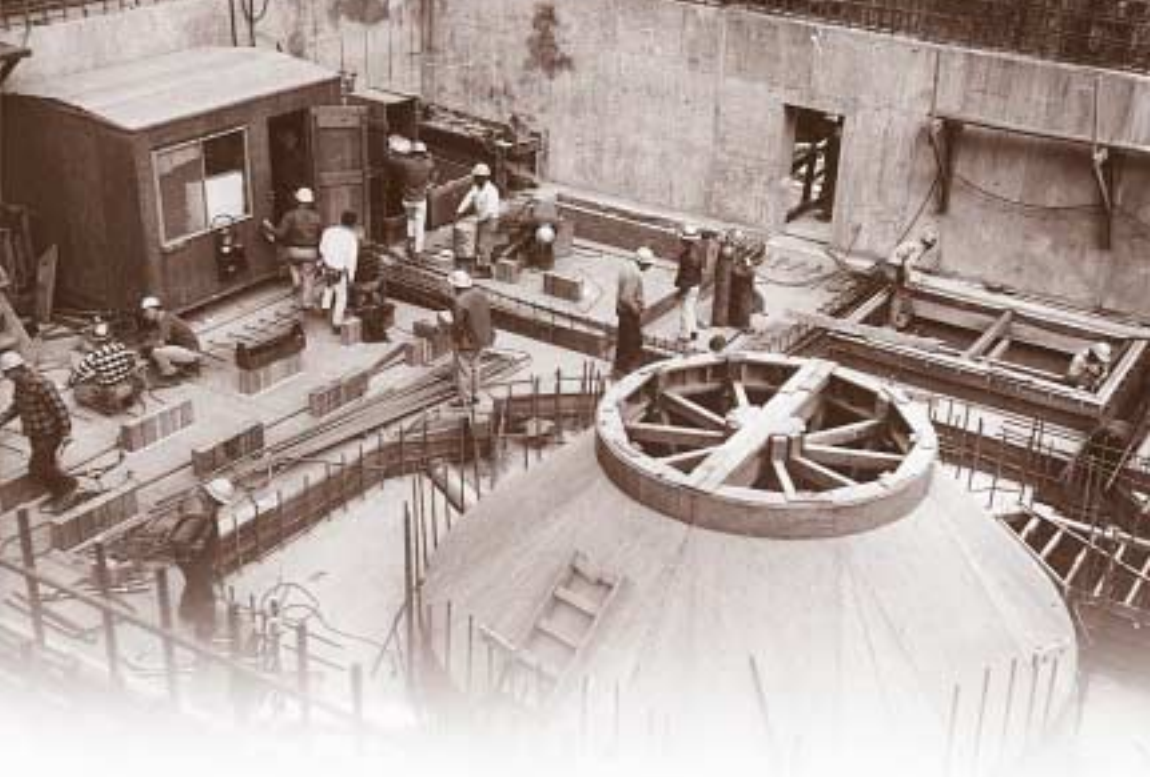
Chairman Frank Paoli pushed a button that opened the Ralston Dam

gates, sending thousands of gallons of water into the American River.

More than a year later *The Sacramento Bee* printed a photo of a 31-inch, 10-1/2 pound brown trout caught at the French Meadows Reservoir –

*THE MIDDLE FORK PENSTOCK, A PIPE TO CARRY PROJECT WATER THROUGH THE MOUNTAINS.*





*CONSTRUCTION WORK UNDERWAY ON PART OF THE MIDDLE FORK PROJECT.*

stocked with trout by the Department of Fish and Game. The angler used salmon eggs, hooked the fish on his first cast and fought it for 35 minutes before landing the trout, the paper said.

Fishing, boating, camping and other recreational opportunities serve as additional benefits of the Middle Fork Project.

### **Litigation Resolved**

Lawsuits connected with the project dragged on for years but by September 1972 most were settled out of court. Only the Diamond Springs case went to trial and ended with a verdict in the Agency's favor. Other litigation was resolved. The Agency's contract for legal

services with attorney Joseph Alioto for the anti-trust action was on a contingency. With the settlement, Tiedemann recounted, "What was he entitled to?" Alioto told the Agency he'd let its attorneys figure out what he should be paid. Concluding Alioto had put in little time on the case, the Agency's counsel recommended about \$50,000 in fees. "Joe Alioto went through the roof and then he sued our firm, the county, etc.," Tiedemann said. "Eventually there was an insurance payoff and he got paid \$80,000."

The libel suit against 16 Placer County Grand Jury members for



*THE JUNE 29, 1968 DEDICATION OF RALSTON DAM, PART OF THE MIDDLE FORK PROJECT, DREW MANY SPECTATORS.*

allegedly questioning the competency of the engineering firm was settled. Engineers were awarded an undisclosed amount of damages detailed in a sealed agreement. Sanford Koretsky, who had earlier outlined the proposed Middle Fork Project to Agency directors, was honored in New York City as “Engineering Man of the Year” by a national engineering organization for his work on the project.

The Middle Fork Project developed a surface water supply for Placer County and by every measure, despite the many difficulties and obstacles, is a success.

“The project was built, it’s been there, it’s been working very fine,” Tiedemann said. “The project has done what it is supposed to do.”

Operated under a 50-year license granted in 1963 by what is now the Federal Energy Regulatory Commission, the project’s contract allows PG&E to buy all power, pays for project operation and maintenance and for retirement of the revenue bonds sold to finance its construction. That contract ends in 2013.

## Summary of Middle Fork Project Features

|   |  |
|---|--|
| <b>Power and Energy Production</b>              | Five Power Plants  |
| <b>Total Installed Capacity</b>                 | 223,750 Kilowatts  |
| <b>Total Dependable Capacity</b>                | 210,100 Kilowatts  |
| <b>40-year Average Annual Energy Production</b> | 1.03 Billion Megawatt Hours<br>(Based on 40 years operation 1967 – 2006) |
| <b>Maximum Total Static Head</b>                | 4,162 Feet   |
| <b>Water Supply and Regulation</b>              | Seven Dams   |
| <b>Total Gross Storage</b>                      | 345,560 Acre-feet  |
| <b>Total Tributary Watershed</b>                | 429 Square Miles   |
| <b>Ultimate Annual Yield</b>                    | 237,000 Acre-feet  |

## Major Project Features

### L.L. Anderson Dam and

**French Meadows Reservoir** Height: 231 Feet  
Elevation: 5,273 Feet  
Gross Storage: 134,993 Acre-feet  
Surface Area (max. pool): 1,408 Acres

### Hell Hole Dam and Reservoir

Height: 410 Feet  
Elevation: 4,650 Feet  
Gross Storage: 207,590 Acre-feet  
Surface Area (max. pool): 1,253 Acres

### Ralston Dam and

#### Afterbay Reservoir

Height 89 Feet  
Elevation 1,189 Feet  
Gross Storage 2,278 Acre-feet  
Surface Area 84 Acres  
Tunnels 23 miles





# FOUR

## CHAPTER



# New Challenges

After completing the Middle Fork Project in 1967 the Agency and PG&E began serious negotiations about acquisition of PG&E's water systems serving central south Placer County. The Placer County Water Agency Act provides that when local areas need specific benefits or services the Agency may provide them through the establishment of service zones to acquire improve and construct water systems.

By the late 1960s the original PG&E water system, a remnant of the Gold Rush in Placer County, needed significant improvements and was under-funded. PG&E sought to get out of the water delivery business. Aware of the deficiencies in the utility's water system, various citizen groups and public officials wanted the Agency to acquire the system from PG&E.

At the time, PG&E water systems in other communities were being sold to public agencies – transfers approved by the California Public Utilities Commission, which regulates utility companies. However, the new owners of some of those systems increased water rates dramatically in order to make much-needed improve-





*A FLUME CARRIES WATER IN THE PLACER COUNTY MOUNTAIN COMMUNITY OF ALTA, EAST OF COLFAX.*

ments to those systems. The rate boosts placed a burden on rate payers. Placer County citizen committees worked with the Agency and devised a plan that would meet multiple interests.

The Civic Interest Committee of the Newcastle Community Club conducted the most conclusive study. Some of the rate increases in sales of similar systems amounted to as much as 73 percent, the committee noted. The club recommended that the Agency purchase the system from PG&E and establish an advisory committee to guide its progress.

Placer County Grand Juries in 1966 and 1967 recommended that the Agency purchase the PG&E system. The cities of Auburn, Colfax, Lincoln

and Rocklin all adopted resolutions urging the purchase. The City of Roseville declined to participate with the Agency and instead entered into an agreement with the Reclamation to obtain federal Central Valley Project water from Folsom Reservoir to meet the city's needs.

Five concepts guided the ultimate decision by the Water Agency to purchase the PG&E water system:

1. The Agency would be able to deliver water at consistently lower rates than a private owner could.
2. Improvements could be financed through the sale of revenue bonds to be repaid from water rates.

3. A public agency would be eligible for funds for improvements not available to a private investor.
4. Agency ownership would end the profit element and allow revenues to pay for the system expenses.
5. Increases in rates would be delayed as long as possible and, once established, the rate boost would not reach that of a private operation.

Supporters of the purchase hoped to buy time before any rate increase would be needed. PG&E's last increase had been 15 years earlier in 1952 and costs of maintenance and operation had since grown significantly. The inevitability of a rate increase was obvious.

In its explorations, the Newcastle committee concluded it was in the interest of the Placer County Water Agency to retain low water rates for consumers. However, the panel added, "We are also in favor of financial and fiscal responsibility." Newcastle acknowledged the possibility of a need to increase water rates. Two private concerns had indicated they wanted to buy the PG&E system. But the utility's position was that it was in the best interest of the public for people of the

county to own their own system. Negotiations continued.

An election was held August 8, 1967 in what would become the Agency's water service Zone 1 – Auburn, Bowman, Ophir, Newcastle, Rocklin, Lincoln, Penryn, Loomis and part of Granite Bay. By a 2-to-1 margin, the voters favored buying PG&E's system.

The system had been appraised at \$5 million, but many months of negotiations by Agency directors, attorneys and management brought the purchase price down to \$1.1 million. Officials raised the money by issuing some of the Agency's remaining Middle Fork Project revenue bonds.

The early months of the Agency's operation of the newly-acquired Zone 1 water system proved challenging. Thrust into the retail water business, the Agency found itself with a task for which employees had not been fully prepared. Some accounting department personnel had been drafted from county staff. All employees had to learn new skills to handle face-to-face dealings with water customers.

These internal matters were corrected over time. A public relations program was put in place. Agency



*THE AUBURN WATER TREATMENT PLANT ALONG LINCOLN WAY IN THE 1960s. THE VACANT FIELD NEXT TO THE PLANT IS NOW THE SITE OF RALEY'S SUPERMARKET.*

directors developed regulations to solve many of the problems and concerns of customers.

The Agency's purchase included a network of canals, water treatment plants, storage tanks and distribution lines plus the right to purchase 100,000 acre-feet of water each year from PG&E for Zone 1. Users would pay for the water purchased from PG&E.

## Land Use Changes

At the same time, residential subdivisions were being built on former farmland that relied solely on canal water. Frequently, a farmer selling off a few acres would allow the buyer to hook onto his private "farmer" line. Sometimes, when several parcels had been sold, the buyer of land at the end of the line would call the Agency to complain of low or nonexistent water pressure. To correct this problem, customers were informed that they

must install and connect their own individual pipelines to the Agency's canals. This was often at considerable expense to the customer.

Placer County's population in 1970 reached 77,306. The same year environmental legislation was enacted that would alter how the Water Agency and other governmental operations undertook projects. The California Environmental Quality Act led to the development of environmental impact reports. The separate California Endangered Species Act also was enacted.

As Placer County's population grew, additional demands for water service arrived daily at Agency offices and the Board of Directors saw the need to expand the Zone 1 water system. New facilities would be needed to meet the demands of a growing county and directors adopted an improvement plan. It first appeared that more bonds would need to be sold so that immediate system improvements could be made, but these plans were shelved due to unfavorable interest rates and market

*As Placer County's population grew, additional demands for water service arrived daily at Agency offices.*

conditions. At the time, projections indicated that the Auburn area Zone 1 water operations would soon be conducted on a deficit unless new income could be found. The Agency had operated in the black for three years and had

postponed any rate increases.

Meanwhile, water users became frustrated as the tired old system gave out in one area after another. They demanded improved service and delivery. Revenue earned through new water sales had been spread as thinly as possible to cover expenditures since the Agency's acquisition of the PG&E system. Additional income was required in order to show potential bond purchasers that the Agency could finance expansion and improvements.

In 1974 a special election was held in Zone 1 to approve a bond issue and a state of California Davis-Grunsky loan to pay for the first major improvements to the system. The plan called for building two water treatment plants, storage tanks and more than

11 miles of pipeline to deliver treated water over a greater area of the zone. A state Economic Development Agency grant supplemented project funds.

Continued improvements won the support of Francis Lindsay, who as a state Assemblyman had authored the legislation that created the Agency. “Placer County is a water ‘rich’ county now,” Lindsay wrote in 1974, “but if we do not continue a program of

development, we could lose those precious water rights we now have in reserve.”

In the early 1970s, as Reclamation continued its Auburn Dam project, federal officials, under threat of condemnation, insisted that the Agency remove its existing water pumping plant and diversion facilities on the North Fork American River near Auburn. The pumps had been constructed a decade earlier as part of the Middle Fork Project. The Agency was forced to remove its permanent pump

*WORK ON AUBURN DAM WAS HALTED IN 1977 WHEN ENGINEERS DISCOVERED THE DAM WAS SITUATED ON THE SAME ACTIVE EARTHQUAKE FAULT THAT ROCKED OROVILLE.*





*WORKERS ON THE AMERICAN RIVER PUMP STATION, WHICH THE FEDERAL GOVERNMENT REQUIRED THE AGENCY TO ABANDON WITH CONSTRUCTION OF THE AUBURN DAM.*

station to accommodate the Auburn Dam project under an agreement with the federal government. At the same time the Agency and Reclamation agreed that until the dam was completed, the federal government would assist in getting Middle Fork Project

water delivered into western Placer County by an alternative arrangement.

Moreover, the Agency had originally intended to build the American Bar Reservoir, south of Foresthill and below the present Oxbow powerhouse, in addition to French Meadows and Hell Hole. The American Bar Dam and

Reservoir was to include a large hydroelectric plant and an afterbay, and could have perfected additional water rights for Placer County.

The Water Agency relinquished its proposal to build the American Bar Dam after federal officials said the

Agency would receive water from Auburn Dam in place of supplies from the agency-financed project. Auburn Dam, federal officials said, would allow the Agency to transport American River water into western Placer County without expensive pumping from the deep river canyon to the Agency's tunnel under Auburn. An agreement reached between Reclamation and the Water Agency required the federal agency to provide the alternative water supply of the pumps until Auburn

*THE WATER ADVISORY BOARD ASSUMES BOARD OF DIRECTOR DUTIES FOR THE AGENCY IN 1975. L TO R: NEW DIRECTORS EDWIN COSTER, ROSS RIOLO, JAMES NORMAN, ED HORTON AND ROY RUHKALA. COUNTY SUPERVISOR ROY THOMPSON STANDS NEXT TO RUHKALA.*



Dam was constructed. But construction on Auburn Dam, which began in 1967, was halted in 1975 by earthquake related concerns. For decades Reclamation would annually install each spring a temporary pump station to connect to the Agency's tunnel. By fall the pumps would be removed.

In January 1975 the Agency installed its first independent governing board, ending Placer County supervisors serving in their dual role as directors of the Water Agency. An amendment to the Placer County Water Agency Act authorized a separate and independent-governing board for the Agency.

### Legal Battle Over Power

The value of power had risen dramatically since the Middle Fork Project was completed. The Agency asked Bear Sterns, a New York financial company, if the bonds could be retired, the contract with PG&E for power terminated and the hydroelectric power sold at market rates. Bear Sterns put the Agency in touch with the New York law firm of Mudge Rose.

The firm, the leading bond counsel in New York, said the Agency had a

case and that the East Coast firm would undertake the legal action on a contingency basis. The lawsuit that was filed was tried in San Diego County – a site selected because PG&E didn't want the case heard in Placer County and the Water Agency didn't want the trial in counties where the utility had a major presence. The San Diego County Superior Court would rule in the Water Agency's favor but PG&E successfully appealed the ruling and the case was returned to the trial court. After this ruling, following the dictates of the appellate court process, the Water Agency appealed, but lost.

While legal issues worked their way through court, the Agency continued to move forward. Groundbreaking ceremonies held April 17, 1977 at the Newcastle site of the Foothill Water Treatment Plant marked a major new phase in growth and development of the Water Agency. Upgrading and replacement of pipelines and operational units in the system exhumed a century-old redwood pipe conveyance system, exposing a part of Placer County's history dating to the earliest days of the Gold Rush era.







# FIVE

## CHAPTER



# Drought And Later Demands For Water

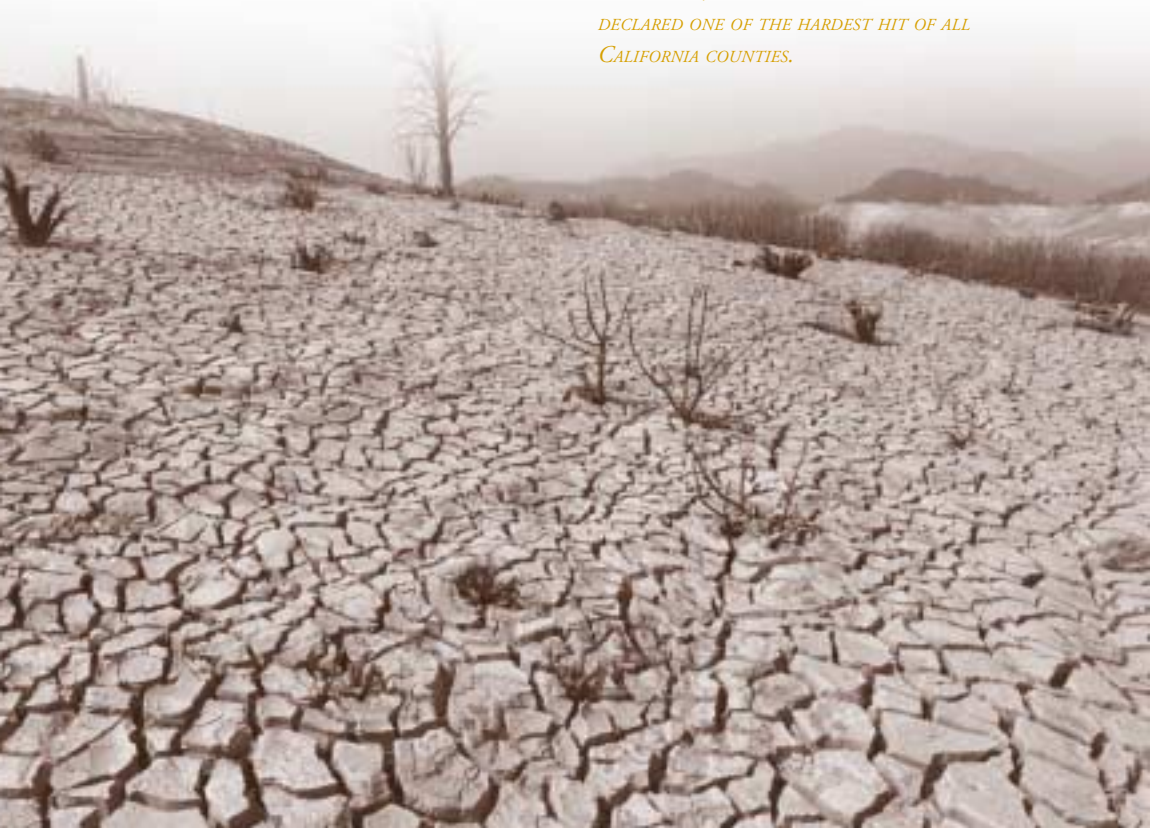
California experienced a severe drought in 1976-1977, and Placer County in 1977 was declared one of the hardest hit of all California counties. In the 1975-76 rainfall years, water had been released from PG&E reservoirs to make room for an anticipated normal water year – which failed to materialize. By the beginning of 1977 there was little snow or rain and no relief in sight. As reservoirs dropped, PG&E reduced the Agency’s water allotment for Zone 1 in the Auburn area by 50 percent. The Agency began a water conservation campaign and many of the conservation practices adopted during that drought have since been retained later as part of an overall water conservation plan.

For example, in 1975 the Agency began a public education campaign of “water conservation is a moral obligation,” a message used for many following years. “Placer People Save Water” was found on buttons, flyers, newsletters, bill inserts, and on signs in schools and in restaurants. This education provided the foundation for the Agency’s successful water use efficiency program during the drought.

Water supplies were a major issue for residents. More than 300 people attended a 1977 hearing on water conservation at a meeting held in the Placer High School Auditorium in Auburn. In fact, the meeting was moved there from the county administrative center because of the large crowd. The Raley's Supermarket in Auburn on Lincoln Way closed its garden shop for the year "in the interest of water conservation," a sign at the store said.

By the end of 1977, Placer was nearly alone in the state by having ended the drought with a small reserve of precious water. Temporary pumps installed by the federal government on the American River at Auburn carried Middle Fork Project water up the canyon through the Agency's three-mile tunnel to the community of Ophir on Auburn Ravine, bringing precious additional water to western Placer County.

*CALIFORNIA EXPERIENCED A SEVERE DROUGHT IN 1976-1977, AND PLACER COUNTY IN 1977 WAS DECLARED ONE OF THE HARDEST HIT OF ALL CALIFORNIA COUNTIES.*





In January 1978 directors formally declared the drought over and ended water use restrictions for customers.

Having survived the crisis, the Agency again set about the task of upgrading and expanding reliability of its Zone 1 water system. The Foothill plant was enlarged to a capacity of 25 million gallons per day, 10 million gallons of storage was added and a tie with the city of Roseville's water system was completed. Some old canals were abandoned as pipelines were installed.

In 1979, at the request of residents living southwest of Roseville, the Agency assumed ownership and operation of the Bianchi Estates

Subdivision well and water distribution system. So began the Agency's water service to Zone 2. Two decades later the Agency converted these customers to treated surface water through an intertie with the city of Roseville.

In 1979 the Agency completed construction of the Foothill Water Treatment Plant near Newcastle and removed from service water treatment plants in Penryn, Loomis and Rocklin that PG&E had built in the 1940s. The Agency also completed construction of the Bowman Water Treatment Plant to serve that community as well as Auburn.

New facilities were needed as new residents continued to come to Placer

County. In 1980 the population reached 117,247.

In 1982 residents in an area stretching from Christian Valley to Meadow Vista, Applegate, Colfax, Dutch Flat and Alta asked the Agency to purchase PG&E's

"Upper Placer Canal System." This acquisition came about after much serious review. The system was old and in need of repair. PG&E was determined to dispose of it and there had been inquiries from several would-be purchasers. Community meetings were held in the areas which might be involved in the purchase.

Many of the same concerns that arose with PG&E's South Placer system were present with the utility's Upper System. The deteriorating system obviously required updating and history indicated that private investment ownership could, if approved by the California Public Utilities Commission, lead to rate increases unless a local governmental entity such as the Agency acquired the system.

*By the end of 1977, Placer was nearly alone in the state by having ended the drought with a small reserve of precious water.*

Residents asked the Agency to purchase the system with water users in the area paying for the purchase through their water rates. In 1982 the Agency purchased the Upper System, and formed Zone 3. The Agency had become the

county's major water purveyor.

On the Agency's 30<sup>th</sup> anniversary, Agency directors honored the late state lawmaker credited with a key role in the origin of the Placer County Water Agency. A plaque at the directors first meeting of 1987 noted the work of Francis Lindsay, the state assemblyman instrumental in getting legislation passed creating the Water Agency, had undertaken. His wife Margaret Lindsay received a framed copy of the resolution on behalf of her husband, who had died in October 1986.

## Placer's Era of Rapid Growth

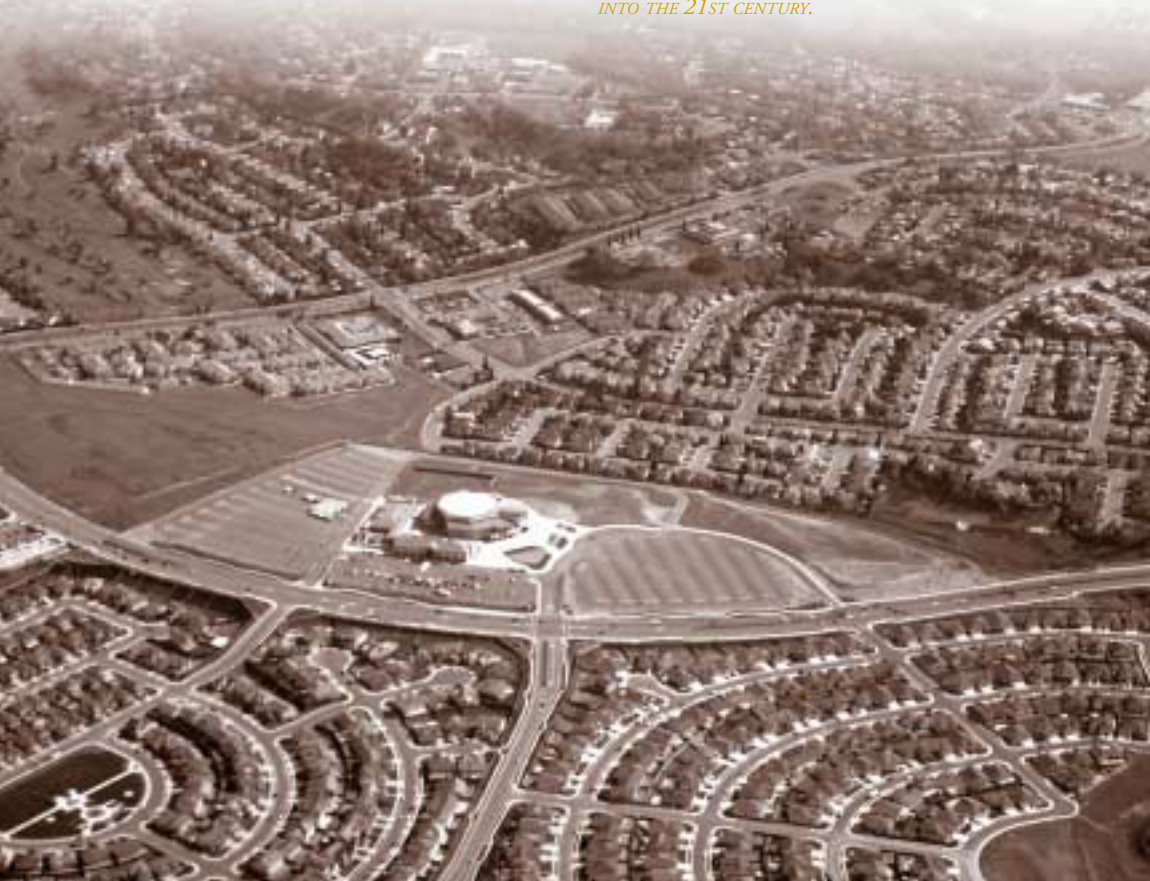
Placer's population continued on an upward course. "The pace of growth," Agency General Manager David

Breninger would say, “is ever escalating.” During the years of 1980 to 1994, the county’s population increased dramatically, from 117,247 to 200,100. County government and the Water Agency raced to keep up.

It had long been clear that office space in county facilities was no longer adequate to continue to house the Agency and new quarters were needed. The Agency settled on an existing building at the Auburn Water Treatment Plant corporation yard and

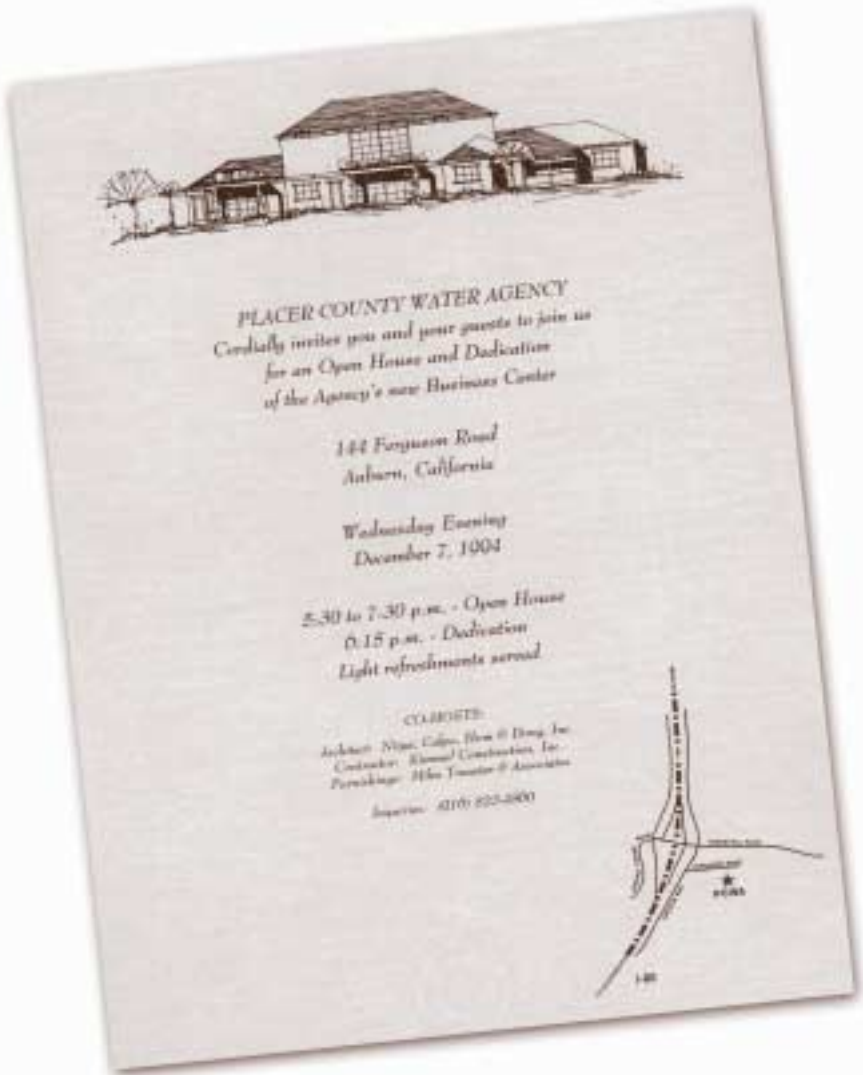
employees began working in small metal buildings or trailers. As the number of water system customers expanded, more employees were hired and more vehicles and equipment were purchased to handle the population boom. Finding a place for them to work became a very difficult and continuing battle. By 1990 Agency personnel, along with computers and

*PLACER COUNTY UNDERWENT DRAMATIC GROWTH, NEARLY DOUBLING ITS POPULATION BETWEEN 1980 AND 1994. DEVELOPMENT CONTINUES TO BOOM INTO THE 21ST CENTURY.*



other office equipment, were crammed into any available space. The Board of Directors recognized the need for an Agency headquarters and began to save money for a building fund.

By 1993, plans were approved for a Placer County Water Agency Business Center in Auburn. Construction of the 25,000-square-foot building took one year and in August 1994 many Agency



employees moved into new quarters. For the first time, most business operations were housed under the same roof. The Agency's employees for the Middle Fork Project remained headquartered in Foresthill. Treatment plant buildings, after many years of housing a variety of Agency staff, returned to their intended purposes.

The Agency serves an area reaching from its western border with Sacramento County to the Sierra Nevada and Lake Tahoe in the east. Beyond Auburn and Foresthill, the Agency continues to serve an area in Placer

County dominated by one of the most famous mountain lakes in the world.

## Serving Lake Tahoe and Eastern Placer County

In his book *Roughing It*, Mark Twain wrote about the wonders of Lake Tahoe. "So singularly clear was the water," Twain observed, "that where it was only 20 or 30 feet deep the bottom was so perfectly distinct that the boat seemed floating on air...It was a vast

*LAKE TAHOE. THIS CALIFORNIA STATE LIBRARY PHOTOGRAPH SHOWS THE LAKE IN THE 1870S.*







*LAKE TAHOE TODAY*

oval, and one would have to use up 80 or 100 good miles in traveling around it. As it lay there with the shadows of the mountains brilliantly photographed upon its still surface, I thought it must surely be the fairest picture the whole world affords.”

Almost since Twain’s early reflections, the waters of Lake Tahoe and the Truckee River have been immersed in politics and so-called “water wars.” The United States government, the Pyramid Lake Paiute Indian tribe, the states of Nevada and California, the Water Agency, the counties of Placer, El Dorado, Sierra and Nevada, local water districts in eastern Placer County, the cities of Reno and Sparks, ranchers in Fallon, Nev., and others have interest in the waters of Tahoe and Truckee.

Competition between users in California and Nevada over Tahoe water dates to the 19th century when San Francisco interests planned to export Lake Tahoe water to the Bay Area. In 1909, another tunnel scheme involving Lake Tahoe would have run

*Controversy has flared time and again over water rights, flow releases, lake levels and lake clarity.*

eastward from Lake Tahoe to Washoe Lake in Nevada. This plan met with opposition from lakeshore owners and California interests and was never constructed.

Controversy has flared time and again over water rights, flow

releases, lake levels and lake clarity. The Tahoe Regional Planning Authority was created by Congress in 1969 to reverse a trend of declining lake clarity. But this, too, has resulted in debates, lawsuits and protracted negotiations.

Many attempts have been made to achieve fair allocation of Lake Tahoe waters. The Water Agency, the county of Placer and eastern Placer County water districts were involved in prolonged negotiations between California, Nevada, tribal representatives and the federal government for an interstate compact governing the use of water from Tahoe and the Truckee, Carson and Walker rivers.

In 1970 and 1971 California and Nevada adopted a bi-state settlement, but the United States government, then

in a policy shift due to passage of the federal Endangered Species Act, failed to ratify the pact. In 1988 negotiations began again to try to ensure that local water interests were clearly represented. The North Tahoe Public Utility District and the Tahoe City Public Utility District were joined by the South Tahoe Public Utility District, the Truckee-Donner Public Utility District, the Water Agency and other parties.

Successful negotiations led to congressional approval of the “Truckee-Carson-Pyramid Lake Water Rights Settlement Act” in 1990. This complex agreement apportions Truckee River and Lake Tahoe water between the two states. The annual allocation of water for users around Lake Tahoe in California is 23,000 acre-feet and in Nevada is 11,000 acre-feet. An additional 32,000 acre-feet is allocated to California for use within the Truckee River Basin in California.

The Agency, eastern Placer County water districts and the Truckee River Basin Water Group continued negotiations for a Truckee River Operating Agreement. Known as TROA, it is a major component of the 1990 Settlement Act. Throughout all of this the

Placer County Water Agency has vigorously worked to protect water resources in eastern Placer County.

## Martis Valley Groundwater

Groundwater protection in eastern Placer County has been of primary concern to the Agency and local water districts within Martis Valley. Groundwater sources have become more heavily relied upon by many water purveyors in eastern Placer County and neighboring Nevada County. Eastern Placer has three state-identified aquifers, the Martis Valley aquifer, the Squaw Valley aquifer and a third aquifer that lies along the north and west shore of Lake Tahoe.

Protection of groundwater in the Martis Valley aquifer for use in California became a primary concern in the mid-1990s. Working with Placer County officials, the Agency in 1998 adopted a groundwater management plan for the Martis Valley aquifer. Development of the plan has been coordinated with a similar plan completed earlier for Nevada County. The Martis Valley aquifer is of key importance to the long-term futures of Placer

and Nevada counties but remains vulnerable to use by state of Nevada interests.

Another milestone in the Agency's development was its undertaking of water delivery to new development in Placer County's Martis Valley.

In 1996 the developer of the project to be known as Lahontan asked the Water Agency to provide supplies using groundwater. The Agency, the county and the developer subsequently signed an agreement for water service to the project.

*Another milestone in the Agency's development was its undertaking of water delivery to new development in Placer County's Martis Valley.*

The Agency created Water Service Zone 4 to serve the Martis Valley, and an agreement with the developer for water service was finalized. Construction of the zone's well system and initial distribution system was concluded in the fall of

1997. Since then, the zone has been expanded to other developments.

*CONSTRUCTION WORKERS AT THE NEW GATEHOUSE TO THE ENTRANCE FOR A MARTIS VALLEY DEVELOPMENT IN EASTERN PLACER COUNTY.*







# SIX

## CHAPTER



# A Half-Century of Service

**A**long the American River outside Auburn, it became apparent by the mid-1990s that the Agency would soon need to use the American River water for which it holds entitlements. For nearly two decades, Reclamation had installed temporary pumps to deliver Middle Fork Project water into western Placer County – the agreement reached in the 1970s as work began on Auburn Dam. The agreement was to fulfill the delivery requirements until the completion of Auburn Dam, but the dam remains uncompleted.

By 1996 the pumps were no longer adequate to meet the year-round needs of the growing county and the Agency and Reclamation began discussing the need to replace and expand the American River pump station. The new station would have to be bigger and more powerful to meet the growing demand for American River water throughout the year.

In a letter sent to federal officials in the summer of 1996, Water Agency directors told federal officials that residents should not be left “high and dry” without the year-round pumping plant. Efforts to secure federal funding for planning and construction of the pump station lasted for several years.

The region's watersheds, benefiting from their source in the Sierra Nevada, remained in good shape, according to a 1996 report the Water Agency helped prepare. The study included a look at the Bear River watershed and concluded it and others are very clean with water coming from the mountain range to the Sierra foothills.

In 1999, the Agency Board of Directors approved forming Zone 5 to supply irrigation water to Placer County commercial agriculturalists. Zone 5 includes approximately 15,000

acres in far western Placer County that is not within Roseville, Lincoln or the South Sutter Water District. The new zone allowed Agency officials to negotiate with other water districts for supplies.

Into the early 1990s, the Agency organizational structure had focused primarily upon its Water System and Power System. In 1992, the Board of Directors hired a new general manager, David A. Breninger. Together they reevaluated the Agency's priorities and services to accommodate the Agency's ever-expanding involvement in regional and state water resource development. Directors revised the former county-

*A WATER CANAL IN THE LOOMIS AREA OF THE SIERRA FOOTHILLS PROVIDES IRRIGATION FOR ORCHARDS. THE ROOTS OF THE WATER SYSTEM FOR COUNTY AGRICULTURE REACH AS FAR BACK AS THE GOLD RUSH.*



*Through the years, the Agency's purpose and internal organization have evolved to fit the evolving needs of county citizens.*

wide function, greatly expanded its purpose, and renamed it as the Agency-wide function. Directors also revamped the organizational structure of the Agency so that all divisions and departments would report directly to the general manager.

Through the years, the Agency's purpose and internal organization have evolved to fit the evolving needs of county citizens. The Agency is currently organized and fiscally structured into three divisions: agency-wide, power system and water system.

Accomplishments of the agency-wide function, adapted over the years to reflect emerging water-related policy issues and other activities throughout Placer County, include:

- Protection and development of Placer County's water rights.
- Establishment of water service zones.
- Participation in regional and state water planning matters relevant to the American, Bear, Yuba and Sacramento rivers and Bay-Delta system.

- Participation in regional and bi-state water planning matters affecting eastern Placer County, Lake Tahoe and the Truckee River system.

- Groundwater management planning for specific aquifers in eastern and western Placer County.

- Identification of strategies for the ultimate water needs for the general plans of Placer County and its cities.
- Determining opportunities for hydroelectric energy production.

## Power System

The Agency Power System has a main office in Foresthill and operates hydroelectric and related facilities of the Middle Fork American River Hydroelectric Project that includes five hydroelectric power plants; two large dams and reservoirs (French Meadows and Hell Hole); several small re-regulation and diversion dams; 23 miles of tunnels and other facilities.

The project makes Placer County water resources available for use in



Placer County by providing up to 120,000 acre-feet of water annually for Agency customers. The project also generates clean and renewable hydroelectric energy that is being sold under terms of a 50-year agreement to PG&E. The project generates hydroelectric power for homes, businesses and farms.

As part of the Middle Fork Project, the Agency constructed public recreational facilities, including several campgrounds and day use areas that are managed through agreements with

the U.S. Forest Service. Recreational opportunities include camping, hiking, fishing, lake and whitewater boating.

The Middle Fork Project is licensed by the Federal Energy Regulatory Commission. In 2013, the bonded indebtedness that financed the original project will be paid off and the current FERC license will expire. The Agency expects to receive a new license from the federal agency and market the project's power output for the benefit of Placer County.





## Water System

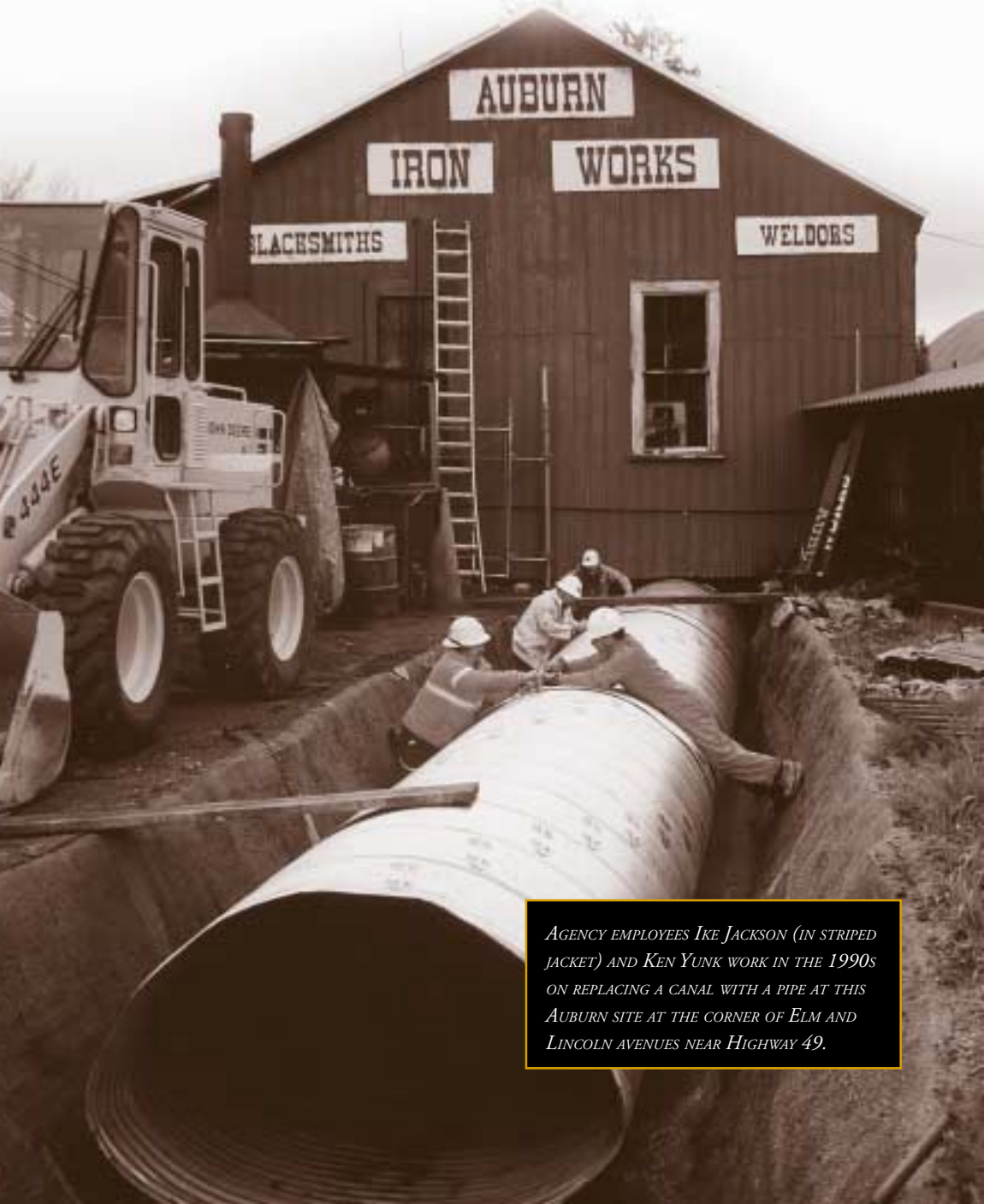
The Water System operates and delivers wholesale and retail water to more than 250,000 people, serving homes, farms, businesses, cities and special districts and private water purveyors in many parts of Placer County. The Water System manages the distribution of treated drinking water and untreated irrigation water.

The Water System supplies retail customers in western Placer County living in Loomis, Rocklin, Auburn, Colfax and Alta as well as to areas in between and eastern Placer County in the Martis Valley. The Agency wholesales treated water to the city of Lincoln and others, who in turn, retail the water to their customers. The Agency also wholesales untreated Middle Fork Project water to Roseville and the

*FRENCH MEADOWS, A RESERVOIR CREATED BY THE MIDDLE FORK PROJECT, AND A LEGACY OF THE WORK EAST OF FORESTHILL UNDERTAKEN BY THE AGENCY IN THE 1960s.*

San Juan Water District. All of the Agency's water systems are metered and the Agency's rate structure and educational programs promote conservation.

Overall, the Water System operates more than 165 miles of canals, pipelines, flumes and siphons; eight water treatment plants; six wells; 27 water tanks; nine raw water reservoirs; and over 500 miles of treated water transmission and distribution lines. It has operational responsibility for the American River Pump Station near Auburn, including the three-mile diversion tunnel and outlet at Auburn Ravine.



*AGENCY EMPLOYEES IKE JACKSON (IN STRIPED JACKET) AND KEN YUNK WORK IN THE 1990S ON REPLACING A CANAL WITH A PIPE AT THIS AUBURN SITE AT THE CORNER OF ELM AND LINCOLN AVENUES NEAR HIGHWAY 49.*

## Groundwater Management

Local water agencies are authorized to develop groundwater management plans under a law adopted in 1992 by the state Legislature. Using provisions of this law, the Agency and Placer County began planning for two of the principal aquifers underlying portions of the county. One underlies most of western Placer County in the area west of Highway 65. The other lies beneath portions of the Martis Valley in eastern Placer County.

To preserve groundwater resources in both aquifers, Agency directors in 1998 adopted groundwater management plans. These plans focus on groundwater level monitoring, water quality, safe yield determination and how best to preserve these resources for Placer County's future use.

The Agency also is actively involved in watershed management planning for all of Placer County. In the mid-1990s, the Agency, the county and the Placer County Resource Conservation District began an effort to involve local, state and federal entities and the general public in an effort to initiate watershed management plans for the county's

watersheds. The Agency works with the Forest Service on watershed stewardship. Flood and fire in the watershed affects the quantity and quality of the water supply, which brings home the notion that "We all live in a watershed."

In 1997, the Agency signed two watershed management agreements; one for the American River Watershed and the other for the Auburn Ravine Watershed. The Agency is working cooperatively with others to see that the watersheds are managed effectively for the benefit of the people of Placer County.

Other significant long-term planning efforts include the Truckee River Operating Agreement, the American River Authority, the Sacramento Area Water Forum and the California-federal government Bay-Delta process. The outcomes of these will have long-term implications upon surface water and groundwater supplies available for Placer County's future use.

With these and other programs, the Placer County Water Agency is actively engaged in water resource issues confronting the entire county. Through this involvement the Agency plays a



*WORK ON THE NEW AMERICAN RIVER  
PUMP STATION BEGAN IN 2003.*

positive roll in ensuring that Placer County's water resources are available for generations to come in Placer County.

The importance of that undertaking was emphasized by Ross Riolo when he spoke at the end of 1998 after completing three decades representing the Roseville Area on the Board of Directors. "We've got to make sure we've got things in place for the next generations," he said. Riolo urged officials to protect the region's water rights. "We've got the only water around," he said. "Somebody's going to be after it forever."

## The American River Pump Station

Planning and design of the American River Pump Station project – the Agency's top water resource priority – began in 2001 as Agency officials continued to secure federal funding appropriations. In June 2003 a contract for the first phase of the project was awarded. The project began in October 2003 and included access improvements, major excavation and construction of the pumping plant itself.

Included in the work to provide permanent pumps to draw water from the American River was the closure of an Auburn Dam diversion tunnel that had sent water away from its historic

course when the federal government began working on the Auburn Dam.

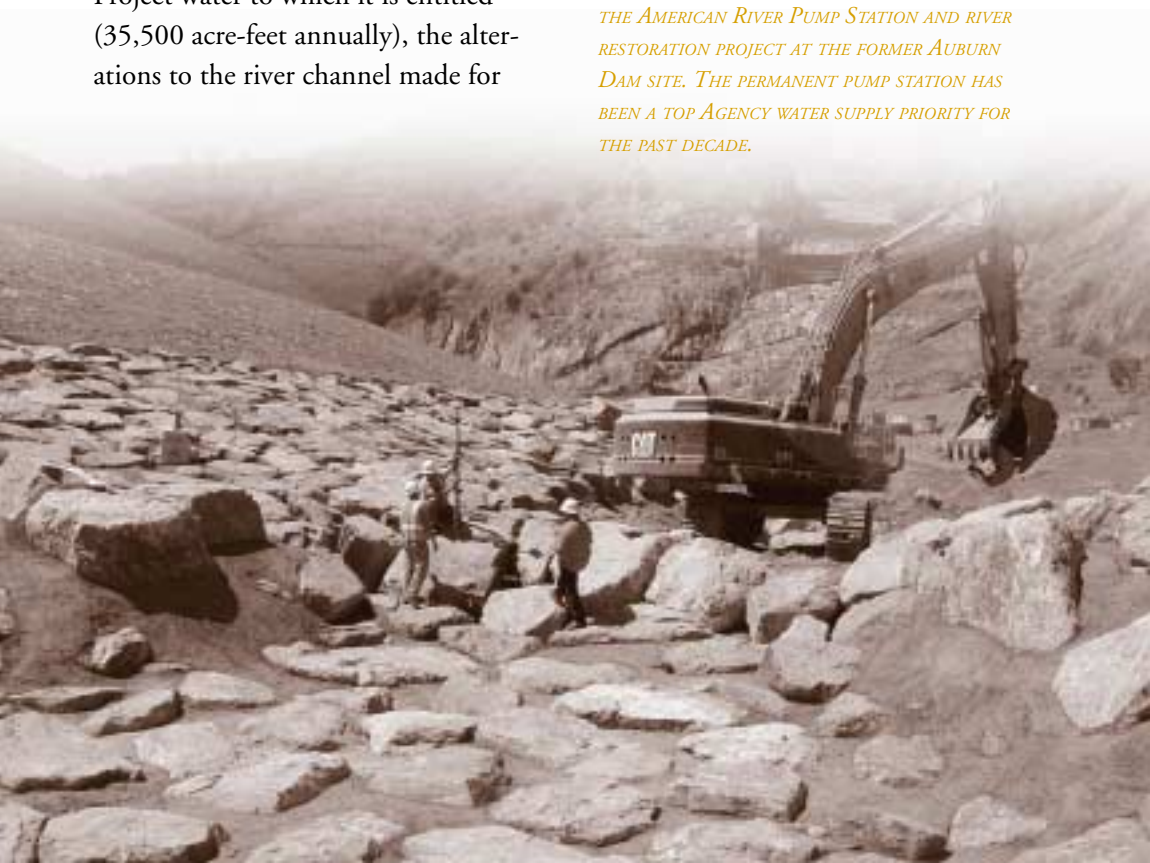
By late 2006, the first phase was nearly complete and Reclamation awarded a bid for work including a river diversion structure, restoration of the river to its natural channel and closure of the half-mile-long river diversion tunnel. A final phase includes public access and recreational improvements.

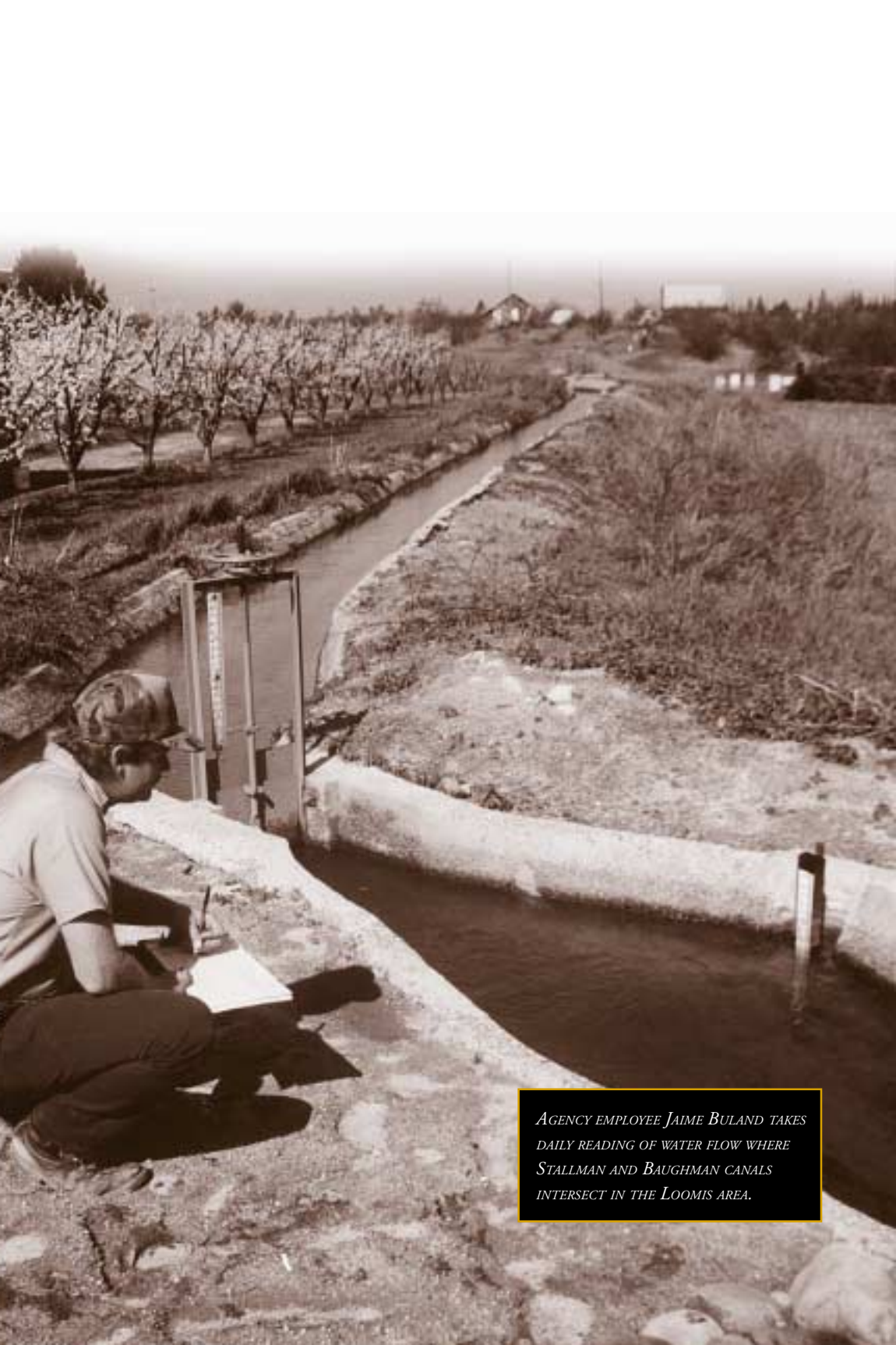
The project has wide benefits: the Agency will be able to use Middle Fork Project water to which it is entitled (35,500 acre-feet annually), the alterations to the river channel made for

the Auburn Dam will be repaired and various recreational opportunities will be restored.

With a new permanent water supply flowing through the American River pumps, this multifaceted project approved in 2004 is designed to distribute the water across Placer County. The project includes a new pump station and future water treatment plant at Ophir along with several major transmission pipelines.

*BOULDERS ARE FITTED INTO PLACE AS PART OF THE AMERICAN RIVER PUMP STATION AND RIVER RESTORATION PROJECT AT THE FORMER AUBURN DAM SITE. THE PERMANENT PUMP STATION HAS BEEN A TOP AGENCY WATER SUPPLY PRIORITY FOR THE PAST DECADE.*





*AGENCY EMPLOYEE JAIME BULAND TAKES DAILY READING OF WATER FLOW WHERE STALLMAN AND BAUGHMAN CANALS INTERSECT IN THE LOOMIS AREA.*

Completion of the permanent American River Pump Station and River Restoration Project is planned for 2008.

## The Agency in the 21<sup>st</sup> Century

On the Golden Anniversary of its service, the Placer County Water Agency can be proud of its many accomplishments during the Agency's first half-century. As the county's largest purveyor of water, the Agency has made great strides in updating water systems, building new facilities and meeting the water supply needs of fast-growing Placer County.

That effort has included such extraordinary measures as sending a remote operated vehicle, akin to a submarine, to examine a tunnel in the Middle Fork Project in 2000.

The equipment with cameras and sonar was used to examine the condition of three shafts of a tunnel that are a part of the water project east of Foresthill. Agency officials were concerned about signs of erosion since sediment had worn down turbine wheels that are part of the Middle Fork Project. But the tunnel review showed conditions to be satisfactory.

As owner and operator of the Middle Fork American River Hydroelectric Project, the Agency continues to produce clean, renewable hydroelectric energy. At the same time the Agency works with Placer County in a strategically planned effort to obtain a new federal license for the project. When granted in 2013, the new license is expected to bring tremendous long-term public benefits to Placer County.

Marking a half-century of service, the Water Agency has held true to its initial purpose to ensure that water entitlements are preserved and used to benefit the people of the county. While meeting those needs the Agency has managed in some years to sell temporary surplus American River water, providing important revenue and an added benefit to the bounty of the Middle Fork Project.

As the primary water resource agency for all of Placer County, the Agency has become well-positioned to represent the county's water interests and to ensure the protection of the county's water rights for generations to come through cooperative efforts with the county, the cities and local water districts. Since the start of the 21<sup>st</sup>



century the Agency has completed and moved forward on a number of significant water issues.

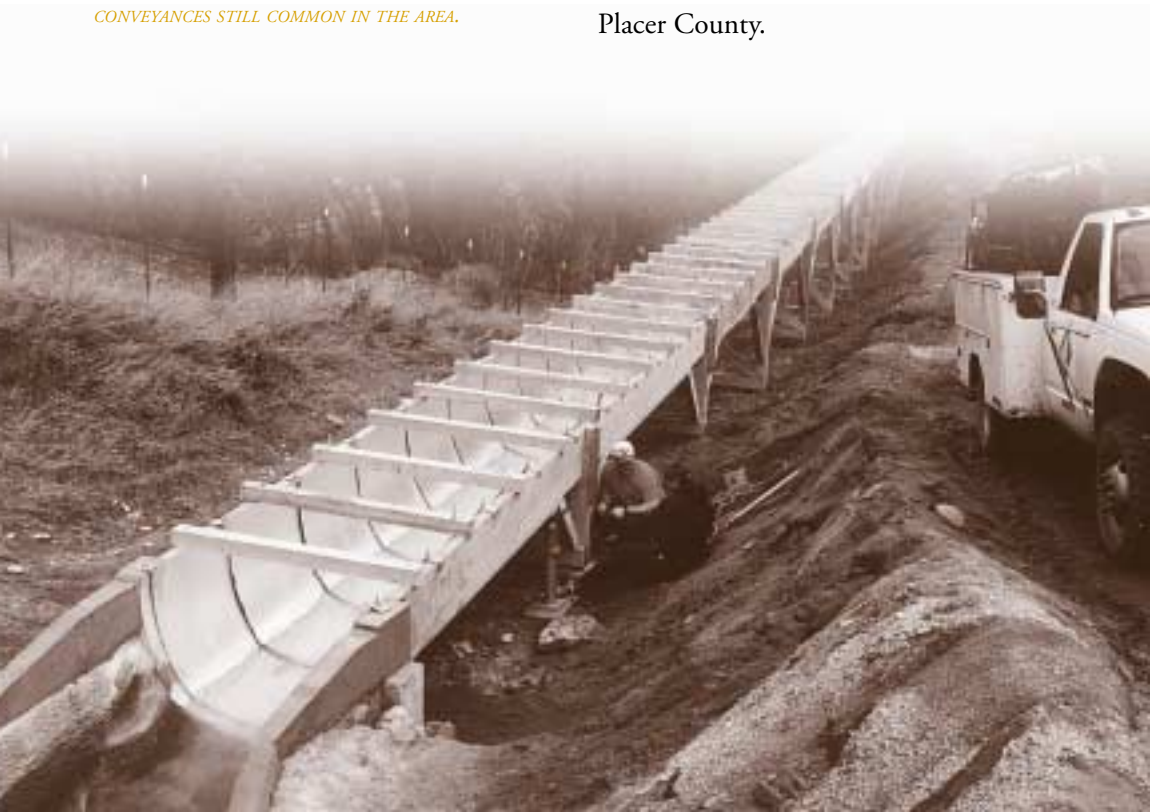
## Building a Better System

The Agency continues to upgrade and improve the aging water system infrastructure, much of which dates to the Gold Rush. Key canals that carry water from the mountains to foothills have been enlarged and strengthened.

*A PLACER COUNTY WATER AGENCY EMPLOYEE WORKS ON A FLUME, THE ELEVATED WATER CONVEYANCES STILL COMMON IN THE AREA.*

Expansions have been completed and are in progress at major water treatment plants, including Foothill, Sunset and Auburn. Several new water storage tanks have been constructed to meet the growing needs of Placer County. In 2001, the Agency completed its largest-ever pipeline project, the 5-mile-long Penryn-Lincoln Pipeline.

Since 2002, the Agency has been involved in a regional partnership with Placer and Sacramento county interests to obtain a new water supply diversion from the Sacramento River. This water would serve wide areas of western Placer County.



## Water Quality

The Agency takes great pride in its ability to produce and distribute a high quality supply of drinking water that meets state and federal public health standards. The Agency uses some of the most modern and efficient treatment techniques available. Efforts continue to provide treated water to areas where it is not yet available, including customers who have used canal water and are now seeking a drinking water supply. The Agency is actively supporting this evolutionary change.

The Agency continues its many successful water efficiency programs that helps individual customers, businesses and communities use their water supplies in more efficient ways. School programs, home retrofit and rebate programs and new water measurement technologies in the canal systems have helped the program win recognition on a regional level.

Computer system and billing upgrades, radio-read water meters and electronic water measurement capabili-

*The Agency continues to upgrade and improve the aging water system infrastructure, much of which dates to the Gold Rush.*

ties are among the Agency's efforts to improve customer service.

In 2005, as part of the relicensing of the Middle Fork Project by the Federal Energy Regulatory Commission, the Agency sponsored a tour of the project facilities for Native Americans. Cultural resources within the area were reviewed. Those attending included descendants of Placer's earliest residents – representatives from the Colfax-Todd Valley Consolidated Tribe, the Miwok Tribe, United Auburn Indian Council and the Washoe Tribe. The group traveled to the Oxbow Powerhouse and the Middle Fork of the American River near the confluence with the Rubicon River. Archeological resources at the Big Meadows Campground were also reviewed.

PCWA's relicensing efforts have been undertaken with the county and a key step was taken in January 2006 when the Agency and Placer County formed the Middle Fork Project Finance Authority to provide funding for the multi-year relicensing project.

## Wholesale Water Supply

The Agency continues its role as a major supplier of wholesale water. Up to 25,000 acre-feet of Middle Fork Project water is supplied annually to the San Juan Water District in Granite Bay, which serves more than 180,000 people in south Placer and eastern Sacramento counties. The city of

Roseville contracts for 10,000 acre-feet annually and has an option on another 20,000 acre-feet. These supplies are delivered via Folsom Reservoir.

To reduce groundwater overdraft, the Agency has also supplied the Sacramento Suburban Water District in Sacramento County. The Agency also provides water to several small local suppliers within its own service area, including those along the Interstate 80

*THE COMMUNITY OF LINCOLN HAS BOOMED WITH EXTENSIVE DEVELOPMENT, AS SHOWN IN THIS 2004 PHOTOGRAPH.*



corridor between Auburn and Colfax. To improve service to its other water purveyor customers in Placer County the Agency has interservice agreements with the Nevada Irrigation District and the city of Roseville.

*Thoughtful stewardship of Placer County watershed and water resources today will ensure healthy, clean and bountiful water supplies for future generations to come in Placer County.*

The Agency has been an early supporter of Placer Legacy, the open space program in the county, whose population by 2007 had reached 325,000. The Agency has also backed the Sierra Nevada Conservancy, which is expected to bring new funding opportunities for key watershed and water resource projects.

Working on a regional level with the Sacramento Water Forum and the Regional Water Authority, the Agency has been a principal player in settling generations-old water questions on the Lower American River and other waterways.

The Agency continues to be involved in eastern Placer County water issues, including those of Lake Tahoe and the Truckee River, and continues to support the many local water purveyors who

serve eastern Placer. The Placer County Water Agency is an active participant in the CABY Integrated Water Resource Management Planning Program, a regional partnership whose acronym comes from the first letters of

the watersheds for the Cosumnes, American, Bear and Yuba rivers.

Thoughtful stewardship of Placer County watershed and water resources today will ensure healthy and bountiful water supplies for future generations. The Agency does so with legal counsel provided by Ed Tiedemann, who in July 2007 marked 45 years as attorney for the Agency. (Tiedemann also worked with the Agency from 1959-1962 as assistant county executive for Placer County.) General Manager David Breninger began that post in 1992 and has served the most years of any manager in that executive position.

Directors and staff accept the challenge to continue to safeguard the water resources that a half-century ago led to the establishment of the Placer County Water Agency.



## Placer County Water Agency

### GOVERNING BOARD

*Placer County Board of Supervisors ex officio Agency Directors from 1957-1975*

#### District 1:

|                      |            |               |
|----------------------|------------|---------------|
| J.B. "Brick" Paolini | 1957 -1958 |               |
| Thomas E. Doyle      | 1959 -1962 |               |
| George A. Lambert    | 1963 -1966 |               |
| Robert Mahan         | 1967-1975  | Chairman 1972 |

#### District 2:

|                   |            |               |
|-------------------|------------|---------------|
| John E. Boyington | 1957 -1958 |               |
| Robert Radovich   | 1959 -1970 |               |
| Alex Ferreira     | 1971 -1975 | Chairman 1973 |

#### District 3:

|                 |            |               |
|-----------------|------------|---------------|
| Joe O. Anderson | 1957-1964  |               |
| Will Jones      | 1965 -1968 |               |
| Ray S. Thompson | 1969 -1975 | Chairman 1974 |

#### District 4:

|                      |            |                     |
|----------------------|------------|---------------------|
| Frank J. Paoli       | 1957 -1968 | Chairman 1961 -1968 |
| J.B. "Brick" Paolini | 1969 -1972 | Chairman 1970       |
| Michael Lee          | 1973 -1975 |                     |

#### District 5:

|                   |           |                     |
|-------------------|-----------|---------------------|
| L.L. Anderson     | 1957-1960 | Chairman 1958 -1960 |
| William S. Briner | 1961-1972 | Chairman 1969 -1971 |
| Jim Henry         | 1973-1975 |                     |



## Placer County Water Agency

### Independently Elected DIRECTORS - 1975 to date

#### District 1:

|                  |           |                     |
|------------------|-----------|---------------------|
| Ross Riolo       | 1975-1998 | Chairman 1981-1984  |
| Pauline Roccucci | 1998-2006 | Chairman 2000, 2005 |
| Gray Allen       | 2006-     |                     |

#### District 2:

|                   |              |                           |
|-------------------|--------------|---------------------------|
| Roy Ruhkala       | 1975-1977    | Chairman 1975-1977        |
| Joaquin Farinha   | 1977-1985    |                           |
| Walter Fickewirth | 1985-present | Chairman 1989-1993 & 1997 |
| Alex Ferreira*    | 1998-present | Chairman 2001, 2006       |

\* (Previously served on Governing Board as County Supervisor 1971-1975)

#### District 3:

|                 |              |                     |
|-----------------|--------------|---------------------|
| James Norman    | 1975-1991    | Chairman 1984-1989  |
| Richard Azevedo | 1991-1996    |                     |
| Lowell Jarvis   | 1996-present | Chairman 2002, 2007 |

#### District 4:

|               |              |                                |
|---------------|--------------|--------------------------------|
| Edward Horton | 1975-1996    | Chairman 1977-1981 & 1993-1996 |
| W. Bruce Lee  | 1997-2000    |                                |
| Mike Lee*     | 2000-present | Chairman 2003                  |

\* (Previously served on Governing Board as County Supervisor 1973-1975)

#### District 5:

|              |              |                     |
|--------------|--------------|---------------------|
| Edwin Koster | 1975-1987    | Chairman 1977       |
| Otis Wollan  | 1987-present | Chairman 1999, 2004 |



Placer County Water Agency

Upper American River Project Board

*est. 1948*

**William M. Haines, Chair, 1948 – 1952**

**J.B. Paolini, Chair, 1952 – 1953**

**Frank J. Paoli, Chair, 1953**

**Chester A. Gibbs**

**Gordon Collins**

**Thomas J. Pugh**

**William D. Bethell**

**J.B. McFadden\***

**L.L. Anderson**

**Garret Doty**

**Edward A. Grey**

**Wendell T. Robie**

**Francis Lindsay**

**Charles Geisendorfer**

**John Boyington**

**Wesley Waddle**

*\*Mrs. Edith McFadden, widow of John McFadden, completed his term.*



## Placer County Water Agency

### Countywide Water Committee

*est. February 26, 1957*

A committee organized to develop the Placer County Water Agency Act. Members were selected by the Placer County Board of Supervisors, Placer County Planning Commission, City Chambers of Commerce, County Chamber of Commerce, Placer County Water Users Association, Grange, Farm Bureau and the Japanese American Citizen's League.

**Antone Riolo**

**Eldon Black**

**Charles Lauppe, Chair**

**Ralph Braik**

**Melville Earhart**

**Howard Nakae**

**William Akins**

**Ray Freer**

**Walter Fiddymont**

**Elmer Williams**

**Doulton Burner**

**Gene Fowler**

**Harry Rosenberry**





Placer County Water Agency

**Citizen's Advisory Board, PCWA ZONE 1**

*est. August 14, 1969*

**Frank J. Paoli, Chair, 1969 – 1971**

**William Moore, Chair, 1971 – 1973**

**Roy Ruhkala, Chair, 1973 – 1975**

**Wesley Waddle**

**Edwin Koster**

**Ross Riolo**

**Ed Horton**

**James K. Norman**

**General Managers**

*position established in 1963*

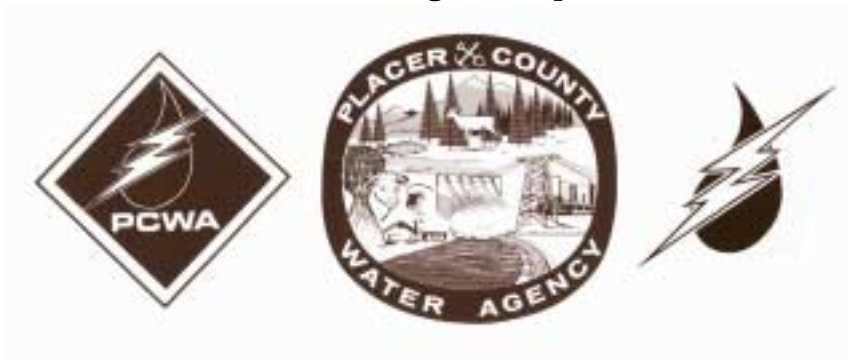
**John M. Barnard 1963-1971**

**Robert Johnston 1972-1973**

**Bill Grant 1974-1983**

**Ed Schnabel 1983-1991**

**David A. Breninger 1992-present**





**PLACER COUNTY WATER AGENCY**

**P.O. Box 6570**

**144 FERGUSON ROAD**

**AUBURN, CA 95604**

**PHONE: 530-823-4850**

**WWW.PCWA.NET**