

DEPARTMENT: Administration

BY: Rick Benson

PHONE: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION: Approve letter to the Federal Energy Regulatory Commission (FERC) regarding the Merced Irrigation District Merced River hydroelectric project.

BACKGROUND AND HISTORY OF BOARD ACTIONS: The Merced Irrigation District is in the process of renewing its license through the Federal Energy Regulatory Commission (FERC). As part of that process all interested parties are allowed to comment on areas of concern that they would like to see addressed by FERC. The attached draft letter was prepared to convey the concerns of Mariposa County. Correspondence must be received by FERC no later than March 3, 2009.

Previously, your board submitted comments to the MID as part of the pre-application process. This is the next step in relicensing.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION: If comments are not submitted by March 3, the County forfeits its right to formally comment to the federal agency.

Financial Impact? () Yes (x) No	Current FY Cost: \$	Annual Recurring Cost: \$
Budgeted In Current FY? () Yes () No () Partially Funded		
Amount in Budget: \$		List Attachments, number pages consecutively
Additional Funding Needed: \$		
Source:		
Internal Transfer		Draft letter
Unanticipated Revenue	4/5's vote	
Transfer Between Funds	4/5's vote	
Contingency	4/5's vote	
() General () Other		

CLERK'S USE ONLY: WR 09-2

Res. No.: 09-25 Ord. No. _____

Vote - Ayes: 5 Noes: _____

Absent: _____

(x) Approved

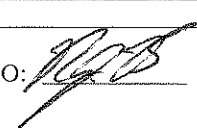
() Minute Order Attached () No Action Necessary

COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended

No Opinion

Comments:

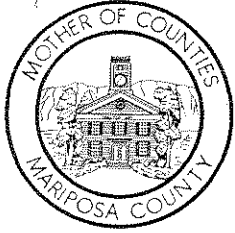
CAO: 

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____

Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California

By: _____
Deputy



MARIPOSA COUNTY WATER AGENCY

MINUTE ORDER

TO: DANA HERTFELDER, Public Works Director

FROM: MARGIE WILLIAMS, Clerk of the Board

SUBJECT: D. Approve Letter to the Federal Energy Regulatory Commission (FERC) Regarding the Merced Irrigation District Merced River Hydroelectric Project

RESOLUTION WA 09-2
and Board 09-85

THE WATER AGENCY OF THE COUNTY OF MARIPOSA, CALIFORNIA,

ADOPTED THIS Order on February 24, 2009

ACTION AND VOTE:

D. Approve Letter to the Federal Energy Regulatory Commission (FERC) Regarding the Merced Irrigation District Merced River Hydroelectric Project (County Administrative Officer/Personnel/Risk Manager)

AGENCY ACTION: Discussion was held with Rick Benson and he advised of additional changes to the letter requested by Director Turpin; and that he would handle submitting the letter prior to the March 3rd deadline. (M)Turpin, (S)Aborn, Water Agency Res. 09-2 was adopted approving the letter with the changes requested by Director Turpin/Ayes: Unanimous. Director Bibby asked that a hard copy of changes be provided to Mark Rowney, consultant for this matter, and be made available to the Board and the public in advance of the meeting in the future.

3:14 p.m. Richard J. Benson, County Administrative Officer/Personnel/Risk Manager;

Approve Letter to the Federal Energy Regulatory Commission (FERC) Regarding the Merced Irrigation District Merced River Hydroelectric Project

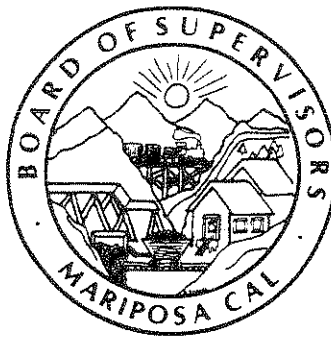
BOARD ACTION: Rick Benson advised that the letter is the same as just approved by the Water Agency and will be signed by the Chair of each. (M)Turpin, (S)Cann, Res. 09-85 was adopted approving the letter/Ayes: Unanimous.

Cc:

File

Mariposa County Board of Supervisors

District 1 BRAD ABORN
District 2 LYLE TURPIN
District 3 JANET BIBBY
District 4 KEVIN CANN
District 5 JIM ALLEN



RICHARD J. BENSON
County Administrative Officer

MARGIE WILLIAMS
Clerk of the Board

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www.mariposacounty.org/board

February 24, 2009

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E., Room 1A
Washington, DC 20426

RE: MERCED RIVER HYDROELECTRIC PROJECT NO. P-2179-042

Dear Ms. Bose:

Thank you for the opportunity to review and comment on the referenced re-licensing project. Mariposa County and Merced Irrigation District (MID) have had a successful working relationship in the operation of the project since its development in the early 1960s. We look forward to continuing this relationship to the benefit of MID and Mariposa County in the future.

The entire referenced project as described in the scoping document is located within Mariposa County. Mariposa County is the County of origin for all water within the Merced River watershed that feeds Lake McClure and Lake McSwain. Mariposa County has the responsibility to provide several public services generally throughout the County including the referenced project area. The project has impacts to County services. There may be additional project impacts as a result of new mitigation and license conditions required for the referenced project.

Mariposa County responded to the MID pre-application document questionnaire on October 14, 2008. The comments submitted were not all included or addressed in the project re-licensing pre-application document (PAD) submitted to FERC on November 3, 2008. We understand that printing of the pre-application document was underway when Mariposa County's response to the questionnaire was received. Mariposa County comments and supporting documentation were however added to the MID public re-licensing website.

It appears that there are two alternative processes to address or "study" Mariposa County comments on the PAD and scoping document. Mariposa County's issues can be addressed by the existing study list proposed in the PAD. For example, there is some mention of law enforcement and Mariposa County Sheriff's Department in the "Recreation Resource" section of the PAD. The "Socio-economic" Resources section of PAD includes an overview of Mariposa County. As an alternative, due to the diversity of Mariposa County services, there may be advantages to scheduling study meetings specific to Mariposa County proposals. With MID's concurrence, Mariposa County prefers to schedule a specific study to address impacts on Mariposa County services and define the implementation of previous agreements between the two entities. Mariposa County will still participate in other studies that are not directly related to statutorily mandated or discretionary county services, but which nonetheless hold some interest to the County such as cultural, tribal, recreational, water and aquatic resources.

Kimberly D. Bose
February 24, 2009
Page 2.

Attached to this submittal is Mariposa County's response to the pre-application document questionnaire. The following serves as Mariposa County comments and request for studies arranged to fit the scoping document and PAD list of proposed study plans.

Scoping Document Section 4.1.1 Geographical Scope and 4.1.2 Temporal Scope

Under Section 3.1 of the scoping document the proposed actions include the potential for construction of a "pumped storage development" adjacent to Lake McClure. We assume the pumped storage facility would be located outside of the FERC project boundary (PAD figure 6.1-2), likely within Mariposa County. The development of the storage project will impact Mariposa County services especially if the new storage is open for public access. The study should provide available information on the pumped storage including location, public access and potential timing of development as well as list, if any, of impacts to Mariposa County. We understand that specific design and access information may not have been developed at this time. It is possible that studies of impacts to Mariposa County could be deferred until more details of project design and timing are available.

PAD Section 7.8 Recreation Resources PAD Section 10 Study 8.1 Recreation and Visitor Survey Scoping Document 4.2.6

Mariposa County provided general comments on the PAD questionnaire briefly discussing the services provided by the County Sheriff's Office. There is some discussion of law enforcement at the project shared between MID and Mariposa County in the PAD. The Recreational Study Plan does not include studies to address law enforcement or services provided by the County Sheriff's Office. Mariposa County proposes studies to include:

- Describe the current level of service provided by Mariposa County Sheriff.
- List historic Sheriff activities including citations, public assistance, radio dispatch, search and rescue and coroner responses within the project area.
- Estimate the potential additional level of services that may be required by new license Protections, Mitigations and Enhancements (PM&E).
- Prepare an economic analysis of all services provided by Mariposa County Sheriff including actual cost of services and funding from California boating and waterways.

PAD Section 6.4 Article 22
PAD Section 7.9.3.7

Mariposa County's general comments included a brief description of County Fire Protection services in the area. Primary responsibility for wild land fire in and adjacent to the project area remains with Cal Fire. However Mariposa County Fire Department provides response to structural and wild land fires as well as medical and other public assistance. We did not find any study proposals in the PAD that included fire protection. Mariposa County proposes studies to include:

- List of historic County Fire Department responses within the project area.
- Determination of the project benefit from the Cal Fire contract for enhanced fire protection in the project area.
- Determination of the project benefit from the Cal Fire emergency dispatch service contract in the project area.
- Determination of the project benefit from the County Fire Protection system in general.

PAD Section 7.11 Socio Economic Issues
PAD Section 10 Proposed Studies

The preliminary list of proposed studies in the PAD does not show any proposed studies to address socio economic impacts. As the entire project is within Mariposa County, most of the County's concerns may be appropriately addressed in this section.

Mariposa County has in the past received payments through the State Board of Equalization for Pacific Gas & Electric Company (PG&E) possessory interest which may include the operation of hydroelectric generation facilities within the project. Additional information is necessary to assess project impacts on Mariposa County revenue from possessory interest.

In addition to Sheriff and Fire Department operations, the project benefits from other services the County government provides generally throughout the entire county. Mariposa County proposes studies to include:

- Describe more specifically the comments included in Section 7.11.3 of the PAD "Annual Fees." Licensees pay annually to Mariposa County \$145,000 possessor interest fees and about \$100,000 for water way patrol.

- List economic impacts, if any, for possessory interest revenue to Mariposa County.
- Prepare an economic analysis including project benefits from County services and programs specifically within the following categories/ departments:

Environmental Health
Ambulance services and subsidies
Roads
Justice Court System
Probation
Planning
Social Services

PAD Section 7.11.3

This section includes a brief acknowledgment of the 1960 agreement between Mariposa County and MID. The agreement includes a provision for sharing project hydroelectric generation revenues after 2014. The agreement is on file with the original FERC license fee for this project and the MID Re-licensing web site. Mariposa County proposes studies to include:

- Estimate of annual power generation and gross income from hydroelectric operations after 2014.
- Schedule for implementation of the 1960 agreement conditions.
- Potential for future increase in hydroelectric generation within the project due to water storage enhancements, equipment efficiency, and generation schedules.

The following briefly discusses conformity with the Seven Study Criteria distributed at the January 28, 2009 Scoping meeting. Scoping Document 1 for the Merced River Hydroelectric Project (P-2179-042) provides the opportunity to identify significant environmental and socioeconomic issues related to the project, but, the Scoping Document identifies no studies to address socioeconomic concerns. Mariposa County, in which the entire project is located, provides a variety of mandated services and programs from which the project benefits, including law enforcement, fire, roads, ambulance, prosecution, courts, detentions, Homeland Security, and all associated direct and indirect support costs such as vehicle maintenance, liability and general county overheads. The full cost of these services must be established, and the level of offsetting revenues to determine the extent to which the taxpayers of the County of Mariposa are underwriting local government services to MID's facilities and programs.

Kimberly D. Bose
February 24, 2009
Page 5.

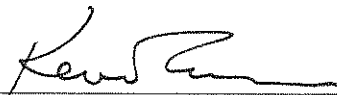
1. Goals and objectives of studies – To identify and quantify the levels of services provided to MID and associated costs and revenues.
2. Resource Management Goals – To minimize the provision of unreimbursed services.
3. Relevant public interests – Prudent management of scarce County resources, maximizing available revenues, and the provision of high-quality public service programs for County residents as well as the MID project area.
4. Existing information – Many county programs already use cost accounting, and State and Federal approved cost allocation programs for the recovery of State and Federal program revenues. Some departments will have to allocate costs based on a study of workload supporting the MID project.
5. Nexus between project and resources – The operation of the project imposes unreimbursed costs on the County. The draft studies identified above suggest measures of programmatic effort and associated costs/revenues.
6. Methodology consistent with generally accepted practice – The same State and Federal approved cost allocation plan adequate for billing reimbursement for all State and Federal funding will be used in those departments having cost accounting activities. Those departments not doing cost accounting will still use the State approved cost allocation plan and process.
7. Level of effort and cost – The bulk of the effort and cost will be borne by the County departments providing the service. The level of effort will be a function of each departments ability to quantify their workload and allocate associated direct, indirect, and overhead costs.

The Merced River hydroelectric project has been an important asset to the entire region. Mariposa County fully supports the relicensing and looks forward to the project's continuing success under the management of the Merced Irrigation District.

Thank you,



BRAD ABORN
Chairman
Mariposa County Board of Supervisors



KEVIN CANN
Chairman
Mariposa County Water Agency

RB:mj