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PRESS RELEASE

GEORGETOWN WITHDRAWS FROM JOINT-POWERS AUTHORITY, WILL CONTINUE TO SUPPORT EFFORTS FOR SUPPLEMENTAL WATER

SHINGLE SPRINGS, CA (February 27, 2009) — Citing a current lack of access to a potential supply of supplemental water, board members of the Georgetown Divide Public Utilities District (GDPUD) have decided to withdraw the entity from the multi-agency El Dorado Water & Power Authority (EDWPA).

GDPUD members said it would continue to support EDWPA's efforts to secure supplemental, long-term water storage facilities and water rights for El Dorado County residents, businesses and agriculture.

GDPUD's withdrawal will be completed in phases as each of EDWPA's member agencies considers a transition agreement. The tentative board consideration schedule will see GDPUD consider the agreement on March 5, El Dorado Irrigation District (EID) on March 9, and El Dorado County Board of Supervisors on March 10. El Dorado County Water Agency and EDWPA itself plan to consider the measure on March 11. All member agencies must approve the transition agreement for the withdrawal to be effective.

EDWPA was formed five years ago to enable its member agencies to jointly negotiate for storage and water delivery considerations from the Sacramento Municipal Utility District's Upper American River Project (UARP). In exchange, EDWPA supported SMUD's efforts to obtain a new license from the federal government to operate the project.

Among other provisions, the Coordination Agreement, as it is known, allowed GDPUD to use the UARP facilities to receive annual deliveries of up to 10,000 acre-feet as well as the right to use SMUD seasonal water storage, as needed. The agreement also gave EID the right to use

UARP facilities in order to receive up to 20,000 acre-feet of seasonal and carry-over storage until year 2025, and up to 30,000 acre-feet per year thereafter.

While all EDWPA members agreed to share the costs of acquiring the water supply, GDPUD directors concluded that since their district is currently unable to access the stored supplemental water due to the lack of a feasible diversion point, it was inappropriate to continue to financially contribute to the cost of obtaining the water through its affiliation with EDWPA. GDPUD said in the transition agreement that it would continue support EDWPA's efforts.

Under that agreement, EDWPA would refund all of GDPUD's contributions to EDWPA, totaling \$289,809, once all parties have agreed to the transition agreement. The money had been contributed to help fund EDWPA's ongoing effort to obtain additional water rights through its February 26, 2008 application to the California State Water Resources Control Board.

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Editors: For additional comments or details, please contact William T. Hetland, executive director of EDWPA and general manager of El Dorado County Water Agency, at 530.621.5392.