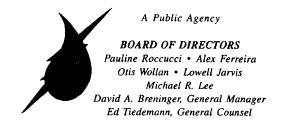
Placer County Water Agency

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August 16, 2005

Mr. Steven T. Eubanks, Forest Supervisor TAHOE NATIONAL FOREST 631 Coyote Street Nevada City, CA 95959-2250

Re: Proposed Future Recreation Improvements - New Group Campground

Dear Mr. Eubanks:

In April 2005 the Tahoe National Forest (TNF) and the Placer County Water Agency (PCWA) approved Amendment #2 to the Collection Agreement for the operation and maintenance of the recreation facilities primarily in the French Meadows Reservoir area. One of the improvements that TNF has proposed in this amendment concerns converting the McGuire Picnic site to a 50 person group campground. TNF has proposed that \$7,000 be budgeted in 2006 for planning and designing this conversion, and that \$280,000 be budgeted in 2007 for implementing the conversion. Proposed improvements of this kind are addressed in the FERC Order issued on April 27, 1992 concerning the Revised Recreation Plan. Under the heading, "Future Recreational Development", on page 2 of the order, the possible future development of an additional group camp and/or a 30 unit campground is mentioned.

The Order states on Page 3:

Although the licensee's proposed triggering mechanism does not completely answer the questions of when and what recreational development is warranted, it is an indication of possible need and should be retained in the plan. If the need for new development is triggered, the licensee should file an application to amend its recreation plan to allow the Commission to evaluate the effects of the licensee's development proposals. However, the Commission will not rely on the triggering mechanisms as the sole means to determine when additional recreation development is necessary.

The Order goes on to state that the project license will be amended to include a new article, article 46, and that "the article will permit additional review of recreational facilities needs, and allow for such additional recreational development as demonstrated to be necessary."

The revised recreation plan states on page 18, "Licensee also believes the provision of additional Project recreation facilities should be based upon demonstrated need . . ." The "triggering mechanism" proposed in the revised recreation plan on page 24 is presented as follows:

Licensee also proposes that a 50 PAOT group camp be constructed on the basis of demonstrated need and consistent with the carrying capacity of the area. The need will be demonstrated when six of the seven group camp sites are reserved to groups of 75 percent of the designed PAOT capacity for 14 weekend days between Memorial Day weekend and Labor Day weekend, but excluding these weekends and the July fourth weekend, for two consecutive years. This facility will be constructed three years after the year in which the need is demonstrated and will be constructed near the McGuire Beach area. Components will include parking to accommodate large vehicles, cooking grills, picnic tables, vault-type sanitary facilities, and potable water.

Concerning the use of a "triggering mechanism" to validate demonstrated need, the Order states on page 3:

Problems exist with the triggering mechanism scheme for group camps so the scheme should not be relied upon as the sole means of determining the recreational needs of the project. The licensee's triggering mechanism puts too much emphasis on the separate group camps being used to capacity. The group camps will presumably be occupied by one group at a time. Occupancy by any size group will fully utilize a given group camp regardless of the number of campers at the site. Thus, the licensee's triggering mechanism, requiring a site to be reserved to 75 percent of capacity, would tend to underestimate the use of the camps. As such, the size of the group should not be considered in determining the need for new facilities. In addition, the mechanisms will not take into account the potential for changing public preference in recreation activities (if group camps fall out of favor) over the course of time.

Based on direction given in the FERC order, before TNF proceeds with the planning and design to convert the McGuire Picnic site to a 50 person group campground, PCWA needs to file an application to amend its recreation plan with the Commission and provide the Commission the present use data of the group campgrounds and any other information that the Commission should take into account to determine if this proposed conversion has been demonstrated to be necessary. We would like to have the use data for the most recent two consecutive years and any other reasons the Forest Service has for proposing this conversion.

We also will need to present this proposal to the California State Department of Water Resources (DWR) in accordance with the terms of a contract between DWR and PCWA (know as the Davis-Grunsky contract) under which funds were provided for the initial construction of the recreation facilities.

If you have any questions or concerns, please contact me at 530-885-6917.

Sincerely,

PLACER COUNTY WATER AGENCY

Staphen J Jones Stephen J. Jones

Power System Manager

cc: David Breninger

Kevin Goishi Philip Scordelis Ed Tiedemann

Mal Toy

Matt Triggs, Acting District Ranger