

P. 2101



GEORGETOWN FIRE DISTRICT

Post Office Box 420

Georgetown, California 95634

Office Phone: 530 333-4111

Fax 530 333-4020

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Director of Licensing
Federal Energy Regulatory Commission
888 First Street NE
Washington D.C. 20426

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We first contacted you early in 2005 asking for your assistance in bringing our desire to participate in collaborative process for relicensing the Upper American River Project (UARP) to the Sacramento Municipal Utility District's attention.

At that time, SMUD had failed to respond to our request to become part of that process. We further stated that, as a small fire district, we had neither the staff expertise nor the funds to engage consultants or legal advisors to represent our interests. Our limited full-time staff was fully occupied in providing fire protection and emergency response services to the residents in our area. We also included an analysis of why we believed we would be significantly impacted in the future by the operation of the UARP, especially the recreational traffic that project facilities attract. The project EIR for the opening of an improved road in 2002 that essentially extended the main street of Georgetown directly to the Crystal Basin recreational area predicted an increase from 325 to 602 percent in the use of that route and a significant increase in the number of fires per year.

Only after the intervention of our State senator, a former SMUD Board member, were we able to get a response from SMUD. Our fire chief and one of our board members met with SMUD representatives on May 17, 2005 and explained our concerns and our desire to become part of the process. The SMUD representatives explained to us that meetings had been suspended for the summer but that when they commenced in August we would be put on the agenda. We were satisfied with that response and anticipated being able to present our case.

We were very surprised when no further meetings were to be scheduled as a result of SMUD and the El Dorado Water and Power Authority reaching a cooperation agreement. The authority consisted of a group of El Dorado County interests, primarily the county Board of Supervisors and water agencies and water districts. The parties had signed a non-disclosure agreement so the terms of the settlement were not released to the public until after they had been agreed to by the parties. We did not know of the existence of this Power Authority until the settlement was

announced. Neither were we asked to participate nor were our concerns solicited. Our obvious conclusion was that SMUD, despite telling us we would be on the agenda, never intended to resume collaborative meetings since negotiations with the Power Authority were underway.

We attended a public meeting of the Georgetown Public Utility District to present our opposition to the agreement and sent letters to the Board of Supervisors and the local newspaper voicing our concerns. However, over our objections, the agreement was approved in September 2005.

Since the agreement dealt primarily with water issues and none of the local fire districts had been asked to participate, in November the El Dorado County Fire Chiefs' Association sent a letter to SMUD saying that they were dismayed to learn that SMUD, the Board of Supervisors and local water agencies had made decisions affecting the entire county without the participation of those most impacted – fire and emergency services. They asked SMUD to continue discussions about these important impacts.

In December 2005, the Association received a letter from James Shetler, a SMUD Assistant General Manager, stating, "From SMUD's perspective then, those issues are resolved." He stated that "The El Dorado Water and Power Authority is the designated agency representing El Dorado County interests within the Upper American River Project." He referred us to the chair and the executive director of the EDWPA to resolve our concerns.

We at the Georgetown Fire District find this response rather disingenuous since we neither knew of the authority's existence nor were asked to be a part of the negotiations. Furthermore, Mr. Shetler was aware that the agreement required the authority to support SMUD's position should any party seek mitigation measures more stringent than those agreed upon.

The Georgetown Fire District, like the other districts in the county, is an independent governmental entity. We have our own publicly-elected board of directors and do not in any way report to the County Board of Supervisors. As an independent agency, the El Dorado County Water and Power Authority did not legally represent our interests as SMUD claims.

We are very dismayed that a public agency like SMUD refuses to even discuss what we consider are critical issues involving public safety. We do not believe that granting a license that has a potential value in the billions of dollars without discussion of these issues to be in the best interests of the public.

We hope you can see our position. We are dealing with an agency that refuses to discuss our issues. Our elected county officials, who purportedly represent the interests of the residents in our district, are contractually bound by terms of an agreement to take SMUD's side. So our remaining hope is that FERC will take note of these public safety issues when reviewing the license application.

We would appreciate your consideration. Should you require further information or have recommendation on how best to proceed, we would be most appreciative.

Sincerely,

William Mahl
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William Mahl
President, Board of Directors