



PAUL HAHN  
Chief Administrative Officer

# **BUTTE COUNTY ADMINISTRATION**

25 COUNTY CENTER DRIVE  
OROVILLE, CALIFORNIA 95965-3380  
Telephone: (530) 538-7631 Fax: (530) 538-7120

## MEMBERS OF THE BOARD

BILL CONNELLY  
LARRY WAHL  
MAUREEN KIRK  
STEVE LAMBERT  
KIM K. YAMAGUCHI

## **Butte County's Appeal to the 9<sup>th</sup> Circuit Court of Appeals Denied**

News Release

FOR IMMEDIATE RELEASE: August 3, 2011 – 2:00 p.m.

Contact: Bruce Alpert (530) 538-7621

**Oroville, CA** – On Tuesday the 9th Circuit Court of Appeals denied Butte County's request that the Federal Energy Regulatory Commission (FERC) be ordered to require the California Department of Water Resources (DWR) to reimburse Butte County for public safety services, including law enforcement, fire, and rescue provided to the Lake Oroville facilities.

DWR operates the Oroville Dam and allows the facility to be used as a recreation facility. The lake draws 1.7 million visitors annually, which has required the County to increase public safety services. Because DWR does not provide funding to the County for these services, the County has had to use local funds to pay for public safety services provided at the state facility.

The County has been trying to resolve this issue with DWR through negotiation and litigation for over ten years through the relicensing process for a new 30-50 year license, with no resolution. As an interim measure, the County sought relief from the Court for expenses associated with the current license.

The Court deferred to FERC's own interpretation of its regulations. Even though FERC and DWR admit that Butte County has expended millions of dollars every year on public safety costs, DWR has refused to pay these costs because FERC does not explicitly require it as a condition of their license. The Court found that FERC's decision to not require the County be reimbursed was not arbitrary or capricious, and therefore not subject to a court order mandating FERC to require DWR to reimburse the County for these costs.

County Counsel Bruce Alpert was disappointed in the decision. "We do not understand the cavalier attitude and failure of FERC and DWR to address the proven financial harm to Butte County and its taxpaying residents. It is unfair and unjust, and cries out for a solution," said Alpert.

The County remains optimistic that the issue will be resolved in the pending 30-50 year relicensing of the facility. "This is an important economic issue for the County," said Bill Connelly, Butte County Supervisor whose district includes the dam, "we will continue to fight for a fair and reasonable solution that will not allow the State for fifty more years to ignore the financial harm they cause Butte County citizens."

###