



News for Immediate Release
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DWR Receives Stakeholder Support for Oroville Relicensing

OROVILLE – The Department of Water Resources (DWR) and stakeholders reached an important milestone this week in negotiating a settlement agreement supporting DWR’s new federal license application for its Oroville facilities. Primary negotiators representing a majority of the participating organizations have agreed to recommend that their organizations sign the historic agreement.

“Today’s accomplishment is the product of years of hard work on the part of the stakeholders and DWR staff,” said Acting DWR Deputy Director Raphael Torres. “Through a collaborative process, we were able to forge a balanced solution that secures important environmental, recreation, cultural resources, and land use benefits for the community and eco-system.”

Total cost of the settlement agreement to DWR has been estimated at \$1 billion over 50 years, with nearly half of those funds targeted for recreational purposes. Included within that amount is \$62 million that DWR agreed to provide for beneficial projects outside the FERC boundary selected through a community based steering committee.

The complex, sometimes contentious, negotiations culminate a six-year collaborative process in which DWR worked with the Oroville and Butte County communities, federal agencies, state agencies, Native American tribes, local governmental agencies, environmental and recreational organizations, private citizens, and water contractors to build a consensus on recommended terms and conditions of a new 50-year license.

The Federal Energy Regulatory Commission (FERC) will receive the settlement agreement and determine which recommendations to incorporate into the new license. Widespread support from regulatory agencies and other stakeholders will be a persuasive force in FERC’s consideration of the recommendations.

While FERC has strict rules and guidelines regarding details of a new license, DWR agreed to provide additional stakeholder amenities that go above and beyond what is normally

included in a license. Several advisory committees will allow stakeholders to continue providing collaborative input through the term of the new license.

While many local stakeholders and key regulatory agencies are satisfied with the negotiation results, a few groups continue to seek additional consideration of their issues. The remaining steps in the FERC processing of DWR's license application will weigh such concerns against the benefits and consensus represented in the settlement agreement.

“Despite our best efforts, we found that several demands were completely beyond the scope of what could be justified in this type of agreement,” said Torres, “but we are extremely pleased that DWR and the overwhelming majority of stakeholders and key governmental agencies have agreed on how to address the most vital concerns in the agreement.”

DWR and the stakeholders in support of the proposed agreement will now finalize the agreement language and sign the document in late March for submittal to FERC.

FERC is scheduled to issue a new license to DWR in March of 2007. The license will allow DWR to continue operating Oroville Dam and Reservoir, the Edward Hyatt Powerplant, Thermalito Powerplant, Thermalito Diversion Dam Powerplant, Thermalito Forebay and Afterbay, and associated recreational and fish and wildlife preservation and enhancement facilities. The Oroville Reservoir (also known as Lake Oroville) is the principal water storage facility of the State Water Project (SWP) which conserves and delivers water to over two-thirds of California's population.

The Department of Water Resources operates and maintains the State Water Project, provides dam safety and flood control and inspection services, assists local water districts in water management and water conservation planning, and plans for future statewide water needs.

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