

Town of Paradise Options Study Report Comments Table

| Comment # | Commentor | Page | Section    | Comment   | Response to Comment   |
|-----------|-----------|------|------------|---|---|
| 1         | PID       | 7    | Exec. Sum  | Paragraph 1: recognizing that the Draft Report, once completed, will contain options that will be considered and potentially implemented by the PID board of directors, the goal of the study should additionally reflect that PID will evaluate the options that provide short- and long-term sustainability of water supply for the community of Paradise.  | Added the following text in bold to the executive summary: "Based on the mandate provided by the Legislature, and the work plan developed by the SWRCB through Sacramento State University, Office of Water Programs (OWP), the goal of this Study is to formulate and evaluate options that provide short- and long-term sustainability of water supply for the community of Paradise. <b>These options and recommendations will be further reviewed and evaluated by PID for implementation.</b> "  |
| 2         | PID       | 7    | Exec. Sum  | Paragraph 2: typo; South Feather Water and Power Agency, not "Authority"  | Revised as noted  |
| 3         | PID       | 11   | 1.4.3      | Typo; State Water Resources Control Board   | Could not identify typo in Section 1.4.3 or elsewhere related to SWRCB  |
| 4         | PID       | 15   | Table 2-1  | PID's pre-1914 water right, after accounting for loss, allows for 4.5 cfs direct diversion under the Butte Creek Adjudication. Additionally, it should be noted PID is reinitiating its effort to go to license on its 1916 post-1914 water right, the terms of which will also include direct diversion (and not solely diversion to storage)  | Revised Table 2-1 as noted from 8 cfs to 4.5 cfs. Above Table 2-1, added the following text: "At the time of this report, PID is reinitiating efforts to go to license on it's 1916 Priority Right, the terms of which will also include direct diversion (and not solely diversion to storage)."   |
| 5         | PID       | 16   | Figure 2-1 | Consider overlaying PID service area with Camp Fire burn scar   | Figure revised accordingly  |
| 6         | PID       | 19   | 2.5        | See PID General Comment 7. The Draft Report understates 1) annual operations deficit and 2) overstates the rate of regrowth within the PID service area.  | 1) The annual deficit in the Options Report does not coincide with the deficit presented in the PID's claim against the Fire Victim Trust prepared by BRG, as those annual losses constitute the lost revenue due to Camp Fire considering the revenue PID would have received if there was no Camp Fire. This Options Study does not consider or evaluate revenue lost as a result of the Camp Fire and it only evaluates the annual deficit represented by the difference between projected revenue and expenses, based on current conditions. The deficit which is represented by the difference between projected revenue and expenses was re-evaluated through several discussions with PID. Projected revenue was incorporated from the estimates prepared by BRG for PID's claim against the Fire Victim Trust using a 1% rate increase per year. Expenses were projected by summing: 1) the average actual operations cost between FY2019/2020 and FY2021/2022 and, 2) the average cost of major capital/recovery projects between this same time period, assuming a 2% increase in expenses every year. This updated deficit was incorporated into Section 2.5.<br>2) As discussed with PID, the 2021 BCAG projections were incorporated into the Options Report. The projection population included in the Options Report is the product of the projected number of persons per household from the BCAG 2019 "Provisional Long-Term Regional Growth Forecasts 2018 – 2040" and the projected number of households from the 2021 BCAG. |
| 7         | PID       | 20   | 2.1        | See PID General Comment 6   | The feasibility of the Miocene Canal portfolio is addressed later in the report in Section 7.2 (Miocene Canal Portfolio Evaluation), and discussion related to the in progress feasibility study is provided in Section 7.2.1.  |
| 8         | PID       | 22   | 3.1        | Second paragraph: See PID General Comment 7. The Draft Report's re-population growth is overstated. A September 2019 report prepared by the Butte County Association of Governments (BCAG) analyzed a "high", "medium" and "low" rate of regrowth for Paradise. In April 2021 BCAG published the "Post Camp Fire Regional Population Transportation Study, Final Report" that, among other conclusions, noted that Paradise regrowth based on actual numbers and future projections is lower than the "low" scenario analyzed in the 2019 report. Regrowth estimates should coincide with BCAG's 2021 report. | 2021 BCAG projections were incorporated into the Options Report. The projection population included in the Options Report is the product of the projected number of persons per household from the BCAG 2019 "Provisional Long-Term Regional Growth Forecasts 2018 – 2040" and the projected number of households from the 2021 BCAG. Section 3.1 was updated accordingly.  |
| 9         | PID       | 22   | 3.1        | Final paragraph: PID received \$14,748,660 from the 2019 Budget Act, payable in two installments over the 2019-20 and 2020-21 fiscal years. The backfill funds were not from the SWRCB.   | Revised as noted on page 22: "PID has received approximately \$15 million from the California 2019 Budget Act to support its operations, which was paid in two installments over the 2019-2020 and 2020-2021 fiscal years." Revised the rest of the Options Report accordingly.   |
| 10        | PID       | 23   | 3.1.1      | As noted in Comment 8, rate of growth should coincide with the BCAG 2021 report.  | See response to comment 8. Updated Section 3.1.1 to reflect BCAG projections.   |
| 11        | PID       | 24   | 3.1.4      | See PID General Comment 7. PID's expert assessment calculates annual losses averaging approximately \$6.8 million through FY 2049-50 before applying a discount rate (approximately \$4.7 million annually present value)   | Per discussions with PID, these annual losses constitute the <b>lost revenue</b> as a result of the Camp Fire. The Options Study does not consider or evaluate revenue lost as a result of the Camp Fire, it only evaluates the annual deficit represented by the difference between projected revenue and expenses. However, Section 3.1.4 was revised based on the revised population re-growth estimates and rate increases  |
| 12        | PID       | 27   | 3.2.3      | See PID General Comment 6. PID's understanding of PG&E's Miocene Canal system is that PG&E currently does not intend on repairing the upper miocene canal that was damaged by the Camp Fire. PG&E is supporting a feasibility study to potentially provide alternative supply to affected water users through the Del Oro Mutual Water Company.   | Del Oro Water Company is currently working with Luhdorff & Scalmanini Consulting Engineers to complete a feasibility study by mid-2022 to evaluate the potential extension of Del Oro's infrastructure to those who previously received water from the Miocene Canal.   |
| 13        | PID       | 28   | 4.2        | Same comment as PID Comment 11  | See response to comment 11. Revenue and expense projections were updated based on several discussions with PID, and Section 4.2 was updated accordingly.  |
| 14        | PID       | 29   | 4.3.1      | See PID General Comment 2   | Summarized the information in PID General Comment 2 and added to Section 4.3.1.   |
| 15        | PID       | 29   | 4.3.2      | This section is in need of update. PID is currently pursuing many projects through FEMA's standard lane funding programs (not section 428), including (a) service lateral replacement project, including service lateral abandonment; (b) backflow preventers; (c) water meters including housing boxes; (d) automated metering infrastructure replacement; (e) main line replacement; (f) B Reservoir replacement; (g) road culvert replacement; (h) fencing replacement; (i) Paradise & Magalia Dams burn damage; and (j) recovery management expenses.   | Revised as noted in Section 4.3.2   |
| 16        | PID       | 29   | 4.3.3      | Strike second sentence and instead state "PID is currently pursuing all reasonably available insurance proceeds."   | Revised as noted in Section 4.3.3   |
| 17        | PID       | 37   | 4.8.1      | PID does not believe proposed rate/tax/assessment increases on customers are feasible at this time  | Taxes were eliminated for further consideration as described in Section 5.1. The feasibility of implementing a rate increase/assessment is reflected in the portfolio evaluations in Section 7.   |
| 18        | PID       | 39   | 4.8.5      | See PID Comment 9. Also, last year PID sought additional backfill funding from California, but was unsuccessful. PID may pursue additional backfill funds this legislative session. Further backfill funds are uncertain  | Revised Section 4.8.5 as noted  |
| 19        | PID       | 45   | 5.3.1      | See PID General Comment 1   | Comment noted   |
| 20        | PID       | 46   | 5.3.2      | PID does not believe that transfers from PG&E's Miocene Canal are feasible. However, reinitiating deliveries to landowners along the Miocene Canal and potentially other customers in Butte County is possible.   | The delivering water supplies along the Miocene Canal is being evaluated by Luhdorff & Scalmanini feasibility of potential extension of Del Oro infrastructure  |
| 21        | PID       | 47   | 5.3.3      | See PID General Comment 5   | The feasibility of the Chico Intertie portfolio is addressed later in the report in Section 7.3 (Chico Intertie Portfolio Evaluation).  |
| 22        | PID       | 48   | 5.3.4      | See PID General Comment 4   | See response to PID General Comment 4   |
| 23        | PID       | 49   | 5.3.5      | See PID General Comment 3   | The feasibility and evaluation of the Agency Reorganization portfolio is addressed in Section 7.5 (Agency Reorganization Portfolio Evaluation).   |
| 24        | PID       | 55   | 6.2.1      | PID's objective should be rephrased to its mission statement: "PID is dedicated to the business of producing and delivering a safe, dependable supply of quality water in an efficient, cost effective manner with service that meets or exceeds the expectation of our customers"  | Revised as noted  |

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| 25 | PID | 63      | 7.1.1   | See PID General Comment 7. The first bullet should be rephrased, as follows: "PG&E: PID is currently pursuing a claim against the Fire Victim Trust. As of February 2021 the net amount of that claim was approximately \$277 million. PID is in discussions with representatives of the Fire Victim Trust, but when the claim will be resolved satisfactorily to PID is currently unknown." The second bullet point should be rephrased, as follows: "FEMA: PID is pursuing all reasonably available claims and reimbursements with FEMA and Cal OES." The third bullet point should be rephrased, as follows: "Insurance: PID is currently pursuing all reasonably available insurance proceeds with its insurance carrier." The fourth bullet point should be rephrased, as follows: "Other Funding Sources: PID is seeking all other financing opportunities, including potential additional state backfill funding and grants/loans such as funding from ASADRA.   | Revised as noted   |
| 26 | PID | 64      | 7.1.2.1 | PID disagrees with the statement that the Financial Claims portfolio would not enhance water supply reliability. Secure and adequate finances enhances water supply reliability by allowing PID to fund ongoing necessary maintenance, repair, and operation of PID's distribution system. PID's ability to continue to maintain its distribution system enhances water supply reliability. PID recommends revising the portfolio rating on this point to 3   | Revised as noted   |
| 27 | PID | 65      | 7.1.2.3 | PID wants to clarify that FEMA and ASADRA do not cover any costs of ongoing operation of the district   | Revised narrative accordingly  |
| 28 | PID | 74      | 7.3.1   | Clarifying question: is the Magalia Dam Retrofit a component of the Chico Intertie Portfolio. The introductory section does not include it as a component of the portfolio, but later sections (e.g., 7.3.2.1) include the project  | The Magalia Dam Retrofit is a component of the Miocene Canal, Chico Intertie, and Water Transfers portfolios. This is addressed in the description for Water Transfers within this section, but added as a stand-alone section for clarity.  |
| 29 | PID | 79      | 7.4     | See PID General Comment 4   | See response to PID General Comment 4  |
| 30 | PID | 82      | 7.4.1   | See PID General Comment 4. Additionally, third paragraph: Given the unique nature of the "surplus" PID water that is potentially available for transfer because of the Camp Fire, PID does not believe all the requirements of DWR's Water Transfer White Paper would apply. For example, the requirement for a reservoir refill criteria following transfer should not apply because the water transferred is water that would have been consumed by PID's customers had the Camp Fire not occurred.   | PID could consider and propose to DWR a water transfer based on water conservation, making new water available for transfer downstream of the original point of diversion. DWR will consider water conservation transfers on a case-by-case basis; No changes made in the report   |
| 31 | PID | 85      | 7.4.2.3 | Subsection entitled "Impact to Water Rates": PID wants to make clear that the proposed Magalia Dam retrofit is a multi-benefit project and has been and will be pursued independent of any potential future water transfers. The Magalia Dam retrofit project is not being pursued by PID to then implement or facilitate future water transfers.   | Comment noted  |
| 32 | PID | 87      | 7.5.1.1 | PID believes the estimate of the Town's population of 9,000 people in 2020 is too high. The likely population at that time was considerably less  | See response to comment 8. Updated Section 7.5.1.1 to reflect BCAG projections.  |
| 33 | PID | 89      | 7.5.1.1 | First bullet: PID's management staff includes a "District Engineer"   | Revised from "assistant engineer" to "district engineer"   |
| 34 | PID | 89      | 7.5.1.1 | 1. See PID General Comment 3.<br>2. Additionally, final two paragraphs: PID does not believe the Town's settlement monies could be used to support PID operations.<br>3. An influx of \$2M/year is insufficient to adequately cover PID's operational deficit as the deficit, without discount, is approximately \$6.8 million through FY 2049/50.<br>4. PID does not believe the Town has an excess \$2M per year (let alone \$6.8 million per year) in unallocated reserves to support PID.   | 1. The feasibility and evaluation of the Agency Reorganization portfolio is addressed in Section 7.5 (Agency Reorganization Portfolio Evaluation).<br>2. The Options report recognizes that the Town's settlement monies may not be able to be used to support PID operations: "however, it is currently uncertain how the settlement monies will be allocated and whether these monies could be used to support PID operations."<br>3. Per discussions with PID, these annual losses constitute the lost revenue as a result of the Camp Fire. The Options Report does not consider or evaluate revenue lost as a result of the Camp Fire, it only evaluates the annual deficit represented by the difference between projected revenue and expenses.<br>4. The Town of Paradise has made the following statement in regards to reorganization: "If PID were to be consolidated into the Town of Paradise, we would consider loaning money from our general fund to assist in operations as our population rebuilds, with the money being repaid as population and revenues for PID grow" |
| 35 | PID | 90      | 7.5.2.1 | See PID General Comment 3. Any reorganization ought to be and is considered by PID to be an option of last resort   | Comment noted. The feasibility and evaluation of the Agency Reorganization portfolio is addressed in Section 7.5 (Agency Reorganization Portfolio Evaluation).   |
| 36 | PID | General |         | PID General Comment 1 – PID's Support for Financial Claim Portfolio: PID supports the ultimate conclusion in the Draft Report that the Financial Claim Portfolio is the best and most feasible solution to ensure PID continues to reliably provide safe and affordable water supply, while supporting community redevelopment. PID is actively pursuing the Financial Claim Portfolio, including (1) discussing resolution of its PG&E claim with representatives of the Fire Victim Trust; (2) pursuing all reasonably available coverages against PID's insurance carrier; (3) pursuing all reasonably available claims and reimbursements with FEMA/CalOES; and (3) seeking other financing opportunities, including potential additional state backfill funding and grants/loans such as funding from the Additional Supplemental Appropriation for Disaster Relief Act (ASADRA).  | Comment noted. The feasibility and evaluation of the Financial Claims portfolio is addressed in Section 7.1 (Financial Claim Portfolio Evaluation).  |
| 37 | PID | General |         | PID General Comment 2 – Status of PID's Claim Against Fire Victim Trust: The Draft Report references a \$277 million PID litigation claim against PG&E. (See, e.g., Draft Report, p. 29, § 4.3.1.) Clarification and additional detail are needed. Following PG&E's bankruptcy filing in January 2019, PID timely filed a proof of claim and participated in the bankruptcy proceeding. As part of its plan of reorganization, PG&E with the consent of the bankruptcy court created an independent Fire Victim Trust that was funded by PG&E with \$6.5 billion in cash and \$6.5 billion in PG&E stock. Following adoption of the plan of reorganization and creation of the Fire Victim Trust, PG&E emerged from bankruptcy and PID's claim against PG&E was "channeled" to the Fire Victim Trust, who is tasked with adjudicating the claims of the fire victims, including PID. In February 2021, PID timely submitted a claims questionnaire with the Fire Victim Trust that includes detailed information supporting a gross claim of \$300,160,160.00. After accounting for certain offsets as of February 2021, the claims questionnaire resulted in a total claim net of recoveries/offsets in the amount of \$276,727,887. Recently, representatives of the Fire Victim Trust and PID began discussions on resolution of PID's claim. The Fire Victim Trust has requested, and PID will provide, additional supporting documentation for its claim. Eventually, PID expects to receive a notice of determination from the Fire Victim Trust identifying the amount payable under PID's claim. Upon receipt, PID will consider accepting, reconsidering, or appealing the notice of determination. PID, unlike most other fire victims, can appeal any notice of determination to the bankruptcy court if PID believes the amount awarded does not comport with California or federal law. PID has and will continue to vigorously pursue its claim with the Fire Victim Trust to ensure PID is fully and fairly reimbursed for its uninsured damages from the Camp Fire for the benefit of PID's customers and landowners. | Revised Section 4.3.1 accordingly, per comment #14   |
| 38 | PID | General |         | PID General Comment 3 – Agency Reorganization: Since 1916, PID has served the community of Paradise with water. PID is an integral part of the unique and treasured community fabric that makes up Paradise. While PID appreciates the Draft Report's assessment of potential reorganization, none of the options presented address the core issue facing PID: need for short- and long-term financial assistance until the community sufficiently rebuilds. The Financial Claim Portfolio, in contrast, does directly address this core issue and should be the focus of PID's effort moving forward. PID is committed to maintaining local control over Paradise's water resources and believes the Financial Claim Portfolio will ultimately result in continued local control of PID and its water resources. If, despite its best efforts, it appears that PID is unable to maintain local control over Paradise's water resources, then that would be the appropriate time to pursue potential further discussions on agency reorganization. In addition to legal dynamics, there are several policy and other potential issues and concerns with any agency reorganization that should be discussed in an open and transparent setting with PID's customers and landowners.  | The feasibility and evaluation of the Agency Reorganization portfolio is addressed in Section 7.5 (Agency Reorganization Portfolio Evaluation).  |

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| 39 | PID                              | General   |              | PID General Comment 4 – Water Transfer Portfolio: Water transfers are widely recognized in California has one of the water management tools to enhance flexibility in the allocation and use of water in California and is especially useful for meeting critical needs during drought periods. Any potential seller's decision in whether to participate in a water transfer is multifaceted, including in deciding whether the seller has surplus water available for transfer, considering potential environmental impacts, and whether multiple legal and other regulatory approvals can be secured. PID's decisionmaking process on any potential transfer is even more complex and multifaceted than traditional water transfer sellers in California. For example, PID's active water rights are included in the Butte Creek Adjudication. PID would be required to request and obtain court approval for any change in the terms of PID's water rights to accommodate a water transfer. Additionally, as the Draft Report notes, any potential water transfer would require an exchange through a third-party water user such as Western Canal Water District. A third-party may or may not provide consent and even if consent is obtained, the third-party would demand compensation. Finally, the traditional hurdles to water transfers need to be considered, including (a) determining whether surplus water is available; (b) complying with the California Environmental Quality Act; (c) securing any necessary approvals from the State Water Resources Control Board, California Department of Water Resources and United States Bureau of Reclamation; (d) identifying a buyer and negotiating terms; and (e) successfully conveying the water to the buyer's place of use. Given all the foregoing, PID not believe water transfers are a reliable short- or long-term solution to the core issue facing PID.   | Agreed, water transfers require significant consideration and regulatory approvals. The added complication of the Butte Creek Adjudication and a third party exchange add additional complications. However, water transfers are routinely executed in California. Structuring a water transfer for PID will require additional steps, partnerships, and approvals. And the best approach may be to seek a longer-term arrangement that will allow the time needed for negotiation and implementation and place a system in place that can take advantage of conditions that will allow for conveyance and exchange of water transfers for a number of years - No changes made to the report |
| 40 | PID                              | General   |              | PID General Comment 5 – Chico Intertie Portfolio: The Chico intertie concept has the potential to provide multiple benefits, including a reliable revenue source to PID, contribution to sustainable groundwater management in the Vina Subbasin consistent with the Sustainable Groundwater Management Act, and potential environmental benefits and enhanced instream flow in Butte Creek. PID has in the past supported undertaking additional feasibility analyses of the concept. The Draft Report estimates a very high construction cost and lengthy permitting and implementation period prior to any project completion. Given these dynamics, the concept at this moment does not adequately address PID's core issue and need for short-term and long-term financial stability until the community of Paradise is able to sufficiently rebuild.   | The feasibility of the Chico Intertie portfolio is addressed later in the report in Section 7.3 (Chico Intertie Portfolio Evaluation).   |
| 41 | PID                              | General   |              | PID General Comment 6 – Miocene Canal Portfolio: As noted in the Draft Report, PG&E owns the Miocene Canal. While confidential discussions did occur in the past between PG&E and PID concerning the potential acquisition of the Miocene Canal by PID, PG&E has discontinued those discussions. Today, PID understands that PG&E is conducting a feasibility analysis of the potential for an alternate source of water for Miocene Canal water users through Del Oro Mutual Water Company. At this time, the Miocene Canal Portfolio does not appear viable, nor would it address PID's core issue.  | The feasibility of the Miocene Canal portfolio is addressed later in the report in Section 7.2 (Miocene Canal Portfolio Evaluation), and discussion related to the in progress feasibility study is provided in Section 7.2.1.   |
| 42 | PID                              | General   |              | PID General Comment 7 – The Draft Option Study Contains Incorrect Projections of PID's Operational Deficit and Rate of Community Regrowth<br>The Draft Option Study should be updated to reflect a more accurate assessment of PID's operational deficit and the reality that lower-than-anticipated regrowth is occurring post-Camp Fire. Enclosed is PID's analysis of its business income (BI) claim against the Fire Victim Trust dated February 2021 prepared by PID's expert financial consultant, Berkely Research Group (BRG). The BRG analysis of BI losses identifies a gross claim after applying a discount rate of \$153,833,839 as of February 2021. The BRG analysis also breaks down BI losses by fiscal year from FY 18/19 through FY 49/50. This period of analysis coincides with the "Post Camp Fire Regional Population Transportation Study" interim report from September 2019 and final report from April 2021 prepared by Butte County Association of Governments (BCAG). The Draft Report correctly notes that the loss of the homes and businesses within PID's service area had and will continue to have a devastating impact on its revenue. (See, e.g., Draft Report pp. 19-20, § 2.1.) However, the Draft Report only assesses a loss period between FY 21/22 and FY 39/40 and assumes that PID's service area population will fully return by 2040. These assumptions are inconsistent with the BCAG reports and PID's own expert assessment that assessed losses through FY 49/50. The reality, as observed in the BCAG reports, is that PID's service area population will never fully return to pre-Camp Fire levels. Unfortunately, actual regrowth in PID's service area to date is lower than the "low" return projection in the BCAG reports. The Draft Report states that PID's financial deficit is approximately \$2 million annually. (See, e.g., Draft Report, pp. 12-13, § 3.1.4.) In reality, this deficit is understated. PID's expert assessment, as shown in the attached BRG analysis, shows annual losses averaging approximately \$6.8 million before applying a discount rate (\$4.7 million annually present value). PID requests that the Draft Report be updated to be fully consistent with the BCAG reports and BRG's expert assessment. Incorporating these corrections in the Draft Report will exacerbate PID's financial condition. However, it will provide further support for GEI's ultimate conclusion that the Financial Claims Portfolio ought to be pursued (and is being pursued) by PID. | Comment noted. See responses to comment # 6, 8, 11 and 25  |
| 43 | Kamie Loeser                     | pdf pg 11 | Exec Summary | The planning horizon isn't well defined. There seems to be a few things happening with this study: 1) the financial issues because there are limited users 2) there are years when water reliability may be an issue due to curtailments 3) that there needs to be more storage to be able to ensure reliability and/or be able to sell surplus. The planning timeline should reflect these variables.   | Planning horizon was discussed in the stakeholder calls but not in the report as the objectives of the study was both short- and long-term financial sustainability; However, future operational and revenues were projected until 2040  |
| 44 | Kamie Loeser                     | pdf pg 14 | 1.3          | As part of the list of objectives, may want to provide some context for each bullet, for example Water Supply Reliability, may want to describe that there are curtailments under certain conditions i.e., Term 91 and thus the need to raise the dam?   | Included context for each bullet   |
| 45 | Kamie Loeser                     | pdf pg 15 | 1.4.3        | Fourth bullet, recipient should be plural  | Revised as noted   |
| 46 | Kamie Loeser                     | pdf pg 19 | Table 2-1    | Source or Point of divrsion, should this be Little Butte Creek?  | Revised as noted   |
| 47 | Kamie Loeser                     | pdf pg 21 |              | Define Term 91 and under what conditions is Term 91 under effect?  | Added the following statement to 2.1.1: "Term 91 requires water rights permit holders to cease diverting water during times when curtailments are needed to maintain Sacramento-San Joaquin Valley Delta (Delta) water quality and flow requirements."   |
| 48 | Kamie Loeser                     | pdf pg 23 | 2-3.1        | It's my understanding that parcels are being charged a monthly fee, even if they are not using water, is this a standby fee?   | \$42.98 is the monthly fixed fee for parcels that are using water. For customers with properties that do not need access to water at the moment, PID provides an option for ready-to-serve connection in the future for a fixed rate of \$21.49 per month. This is discussed in Section 3.2.4, but is not relevant to the discussion in Section 3.1 which focuses on the fact that PID cannot currently collect volumetric water charges until the meter replacement project is complete   |
| 49 | Kamie Loeser                     | pdf pg 26 | 3.1          | The 2nd paragraph discusses population and regrowth, this should be used to describe the planning horizon for each of the types of options and how it fits into the evaluation criteria.   | Planning horizon was discussed in the stakeholder calls but not in the report as the objectives of the study was both short- and long-term financial sustainability; However, future operational and revenues were projected until 2040  |
| 50 | Kamie Loeser                     | pdf pg 28 | 3.1.5        | Clarify this a little bit, again, the planning horizon for each variable is important, for example, needing to be financially viable by X years is different than the need for raising the dam for water reliability long-term.  | Planning horizon was discussed in the stakeholder calls but not in the report as the objectives of the study was both short- and long-term financial sustainability; However, future operational and revenues were projected until 2040  |
| 51 | Kamie Loeser                     | pdf pg 35 | 4.5.2        | How is water getting from PID facilities to Lake Oroville?   | As described in Section 7.2.2.1, water transfers can be implemented using existing conveyance if PID partners with an entity such as Western Canal Water District who can receive transfer water on Butte Creek and exchange that water with a like amount of water available to Western Canal from the Feather River and Lake Oroville. The water in Lake Oroville can then be released for water transfer partners both north and south of the Delta. Added this discussion in Section 4.5.2.  |
| 52 | Kamie Loeser                     | pdf pg 37 |              | PG&E is not rebuilding the Miocene Canal or piping it.   | The feasibility of the Miocene Canal portfolio is addressed later in the report in Section 7.2 (Miocene Canal Portfolio Evaluation).   |
| 53 | Kamie Loeser                     | pdf pg 48 | 5.2          | For this option, which may be discussed later in the document, the true cost of rebuilding the Miocene needs to be considered.   | The feasibility of the Miocene Canal portfolio is addressed later in the report in Section 7.2 (Miocene Canal Portfolio Evaluation).   |
| 54 | Steve Crowder, Mayor of Paradise |           | 4.4.1        | If PID were to be consolidated into the Town of Paradise, we would consider loaning money from our general fund to assist in operations as our population rebuilds, with the money being repaid as population and revenues for PID grow, your option 7, 4.4.1, which having PID merged into the Town, in my opinion, is the best option for all.   | Comment noted and the ranking for the "Likelihood of Loans" factor under Economic Feasibility was revised from a 1 to a 3.   |
| 55 | Steve Crowder, Mayor of Paradise |           | 4.7.1        | 4.7.1 option 15 Paradise sewer project, we have been working all out to get a sewer project done, and have made promises to the City of Chico that the Town of Paradise will control and own the pipeline and no connections outside of Town limits will happen as growth has to be controlled as to not affect their sewer capacity to allow for Chico growth, which is a huge concern of Chico citizens.   | Comment noted.   |

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| 56 | Jody Jones, Paradise Councilmember |    |       | On Page 7 the report states, "Eight of the 23 options identified were eliminated if they were not feasible, redundant, not supported by stakeholders, or if those options will be implemented by PID regardless of the outcome of the Study. Pg 63 of the report states that "PID is currently pursuing financial claims with PG&E, FEMA ..." It is obvious that PID is already doing this and that if there were any consolidation it would continue to be pursued. Therefore, it is unclear what the reasoning is for this to be a "Portfolio" and further why it would be rated as the highest option. It is being done anyway. No need for this report.  | This Study is a mandated requirement by the SWRCB. A range of opportunities for revenue generation to cover PID's operating deficit were explored as part of this study, which includes some options that will and are being pursued regardless of this study (e.g., financial claims, magalia dam retrofit).   |
| 57 | Jody Jones, Paradise Councilmember |    |       | The discussion of the Town on page 89 is both superficial and inaccurate. The Town has a very well laid out plan for our PG&E settlement. To only look at the PID annual deficit and then expect that any other governmental organization would have a \$2 million general fund excess in order to take them on is ridiculous. No governmental agency operates with that sort of annual budget excess. However, there are funds that could be available to the Town to help support PID that they don't have access to (such as the cost to raise/lower their manhole covers being covered by our road project grants). There is also the political capital that the Town may have with the state that a special district may not have. These items are not discussed at all in the report. And, any entity that merges with PID would still be pursuing the Financial Claims. | Comment noted.  |
| 58 | Jody Jones, Paradise Councilmember |    |       | The discussion on page 90 regarding consistency with PIDs objectives is disingenuous. There is no difference in what the Town's objectives would be for the water system and PID's current objectives. This ranking should be a 3.   | Comment noted, revised ranking from a 2 to a 3.   |
| 59 | Jody Jones, Paradise Councilmember |    |       | On page 91, under Economic Feasibility, it is stated that there are no capital costs to the option of merging with the Town. However under the next two criteria: Likelihood of grants or loans available to reduce capital costs, there is a discussion of operational deficit and whether the town could cover this. This isn't even the same criteria used to evaluate other options.   | The Options Study strived to develop a set of criteria and factors that could be applied to evaluate all of the portfolios. However, due to the wide variety of options that are featured within the portfolios, some factors do not apply to every option. For example, likelihood of grants or loans available to reduce capital costs does not apply to the reorganization portfolios since the portfolios would not involve any new construction. Rating the portfolios a "3" for these factors since they do not apply would skew the ranking. As such, these portfolios were evaluated for these factors through the lens of grants and loans available to address the debt incurred by the Town or SFWPA as a direct result of reorganization. |
| 60 | Jody Jones, Paradise Councilmember |    |       | On page 92 under regulatory feasibility a ranking of 1 is too low. There are no red flags to merging with the Town. It's a matter of process, not a question of whether its possible. This should at least be ranked a two.  | Comment noted, revised ranking from a 1 to a 2.   |
| 61 | Jody Jones, Paradise Councilmember |    |       | There are many benefits to the two organizations that are not discussed at all in the report, including efficiencies in Corporation Yards, managerial, financial and legal resources, access to some funding that might not be available to a water district but is available to a town, political weight, etc.  | Agreed, however, to properly evaluate the portfolios, a set of criteria and factors that could be applied to evaluate all of the portfolios was developed. Incorporating these benefits into this set of criteria would skew the ranking for these portfolios, since these factors do not apply to the other portfolios.  |
| 62 | Gayland Taylor/Allen Harthorn      | 17 | 2.1.2 | Could this well provide additional water for environmental flows in Little Butte Creek. Numerous funding sources are potentially available for operation and maintenance for the pump. What is the potential output of the well  | Currently, the primary purpose of the well is to augment PID's water supply and is planned for rehabilitation by 2030. In Normal Years, the well would be maintained at an estimated 45 AFY and in drought years it is assumed to be utilized up to the historical capacity of 350 AFY. It would be upto PID's Board of Directors to consider if this water can be used for environmental flows in Little Butte Creek.  |
| 63 | Gayland Taylor/Allen Harthorn      | 23 | 3.1   | Conservation should be included as a long term opportunity that would strengthen supply reliability. Conservation incentives are available for assisting with this endeavour   | Comment noted. Annual water demand was reduced to a low of nearly 4,300 ac-ft in 2015 due to conservation measures at the height of the last drought. PID has projected that demand would increase to around 5,000 ac-ft by 2040 assuming that the pre-Camp Fire population (26,000) would return by this year; however, recent Butte County projections have estimated that the Town's population will only reach 14,000 by 2040. At this population, based on estimations from PID's UWMP, demand is likely to be even less than 4,300 ac-ft per year. For the foreseeable future until the population rebounds, conservation is not likely to result in significant demand reduction.  |
| 64 | Gayland Taylor/Allen Harthorn      | 25 | 3.2.1 | Excess supplies could be used to supply critical instream flows for salmon and steelhead. Numerous grant opportunities are potentially available to pay PID for this extra water. Transferring water within Butte County has benefits for our local fishery resources and for our local farming community and for ground water recharge.   | Comment noted. However, at the time of this study, not a lot of information was available to assess the timing, duration and magnitude of potential transfers. As refinements to the project description are made, PID and others could pursue supplemental funding opportunities through the numerous grant opportunities available.   |
| 65 | Gayland Taylor/Allen Harthorn      | 27 | 3.2.2 | Include Central Valley spring-run Chinook salmon as important beneficiaries to supplemental flows created by water transfers.  | At the time of this Study, Little Butte Creek is not listed as critical habitat for spring-run Chinook and was therefore not considered. There could be incremental benefits to flow in Butte Creek but without information on the timing, quantity and assurances it would not be diverted prior to reaching Butte Creek, as this benefit would be speculative.  |
| 66 | Gayland Taylor/Allen Harthorn      | 27 | 3.2.3 | PID could acquire PG&E water right and pump that water into the PID system creating additional revenue for PID   | Agreed and this is already addressed in Section 4.6.1   |
| 67 | Gayland Taylor/Allen Harthorn      | 31 | 4.5.1 | Water transfers to in county entities should be conveyed through Butte county streams to provide additional environmental benefit. In addition to the environmental benefits keeping the water in Butte County would be a huge benefit to local farmers and ground water recharge. It is not clear how the valuation of water kept in Butte County is less than transferring out of county. Instream flow, ground water recharge and local use for agriculture have great value to our community. All of the benefits need to be considered in the valuation!!! Conveyance of transfer water is not feasible through the Miocene canal, Feather River, or Lake Oroville with the existing infrastructure   | Comment noted; Identifying the mechanics of Butte County water transfers is beyond the scope of this study. The revenue per ac-ft for water transfers within Butte County was noted to be less than transfers outside of Butte County based on the lower demand for water and also historical water transfer rates.   |
| 68 | Gayland Taylor/Allen Harthorn      | 31 | 4.5.2 | Water transfers out of county should be conveyed through Butte Creek providing additional benefits while the water is in Butte County.   | Comment noted; Identifying the mechanics of North of Delta water transfers is beyond the scope of this study.   |
| 69 | Gayland Taylor/Allen Harthorn      | 32 | 4.5.3 | Same comment as 4.5.2  | Comment noted; Identifying the mechanics of North of Delta water transfers is beyond the scope of this study.   |
| 70 | Gayland Taylor/Allen Harthorn      | 32 | 4.6.1 | Buying PG&E's water right for the Miocene system could provide more benefits to PID and Butte County interests.  | Agreed; Section 4.6.1 states "Alternatively, PG&E's water rights could be included in the transfer of ownership of the Canal and its powerhouses."  |
| 71 | Gayland Taylor/Allen Harthorn      | 35 | 4.6.2 | The length of time required for this project would not leave PID in a good financial position with declining availability do to increase demand in Paradise. Why run water in a pipe when you have a perfectly good stream system that also recharges the ground water which supplies the cal water wells in Chico and you dont have to build anything. Surely the aesthetic value of water in the creek and water for salmon must be taken into account.  | Evaluation of the Chico Inertie portfolio is provided in Section 7.3.   |
| 72 | Gayland Taylor/Allen Harthorn      | 35 | 4.6.3 | Instream flow releases below Magalia reservoir including leakage will likely have to be reevaluated and new instream flows will likely need to be augmented to support endangered fish species including Central Valley Steelhead and Spring-run salmon. It would seem important to include planning for this, and seek funding through various fishery restoration funding sources or voluntary agreements funded through the Bay/Delta water quality control plan to assist PID with this project. The increased storage could augment instream flows in Little Butte Creek and provide PID with a increase in revenue by selling this water. A similar voluntary water transfer agreement exists with the Yuba Water agency and could be used as a template. This is a win/win for PID and the fish!  | Comment noted and agreed; These funding opportunities and potential use of the VSA's funding opportunities will be considered as the project(s) become more refined. This feasibility study was done as a first step in identifying a suite of potential options. As discrete elements of the project are developed, the benefits and potential funding sources will also be refined.   |
| 73 | Gayland Taylor/Allen Harthorn      | 36 | 4.7.4 | Voluntary agreements have been tried and proven successful. Lets use them as a template to deliver water to the Butte creek system, Butte county residents and PID. It appears the PID could bring in substantial \$\$\$\$\$ to their budget.  | Unfortunately, at the time of preparation of this report, the voluntary agreement process in the state is currently stalled with no tentative schedule for re-engagement. Thus this option was eliminated for further consideration as detailed in Section 5.1.   |

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| 74 | Gayland Taylor/Allen Harthorn | 37 | 4.8.4 | Numerous fishery restoration grant programs provide MONEY for agumenting fishery projects. It seems likely that PID could benefit from utilization of these programs. Exammles of programs that could provide funding include the Fisheries Restoration Grant program, Wildlife Conservation board grants, Prop 1 grants and as part of the Federal Infrastructure Investment and Jobs Act, NOAA fisheries grants, Dept. of Interior, EPA, and Army Corp of Engineers literally have billions of dollars \$\$\$\$\$ available for projects like assisting PID. | See response to Comment 72   |
| 75 | Gayland Taylor/Allen Harthorn | 48 | 5.3.4 | Water transfers that provide additional environmental benefits, such as ground water recharge and instream flow augmentation could provide significant revenue for PID both in the short term and long term. Funding sources are numerous and projects like this are a high priority and can be implemented immediately.   | Comment noted and agreed   |
| 76 | Gayland Taylor/Allen Harthorn | 58 | 6.2.4 | Include NOAA fisheries as a regulatory agency  | Revised as noted   |
| 77 | Gayland Taylor/Allen Harthorn | 59 | 6.2.5 | Any portfolio that includes enhanced stream flow in Little Butte Creek could have significant beneficial impacts and the ranking should reflect the possibility of positive impacts.   | Comment noted  |
| 78 | Gayland Taylor/Allen Harthorn | 79 | 7.4   | In table 7.5 Environmental impacts for water transfers should have a more positive ranking due potential ground water recharge and enhancement of instream fisheries.  | Yes; These positive attributes were considered during the scoring process along with direct impacts from project implementation (i.e. construction). |