

Objectives and Process

There are many reasons to Save Kilarc Reservoir, and the associated diversion canal and hydropower generating facilities:

- Community – Recreation, fire suppression, domestic water supply; historic facilities around which nature and the community have evolved
- Green Power – Instead of fossil generation and greenhouse gas emissions from demolition and construction of alternative power plants
- Fish – To enhance habitat and populations of anadromous fish

PG&E has decided to surrender its hydropower license. PG&E proposes to demolish the Kilarc Facility. PG&E is accountable to the Federal Energy Regulatory Commission (FERC) for as long as PG&E holds the P-606 Kilarc-Cow Creek Hydropower License. No other party may hold a license to generate hydropower utilizing the same water resource until the FERC accepts PG&E's license surrender. The FERC then has the opportunity to retain jurisdiction over the project by granting a new entitlement to continue hydropower generation.

The National Environmental Policy Act (NEPA) environmental impact assessment process undertaken by the FERC will reveal that continued operation of the facility as suggested by Davis Hydro with its canal-based fish spawning and outreach features outlined here is the preferred Plan upon PG&E's license surrender.

The Davis Hydro Alternative Plan establishes a 501(c)3 non-profit entity (**The Kilarc Trust**) that will be the qualified, competent, and responsible entity to implement the alternative.

The Kilarc Steelhead Project alternative to PG&E's facilities dismantling alternative involves the transfer of assets (land and intact facilities) from PG&E to the Kilarc Trust that will be responsible for ensuring that the facilities and their operation will achieve specified natural resource conservation and enhancement benefits. Should targets remain unmet after a specified performance period, the facilities would be dismantled as originally proposed by PG&E, utilizing a remediation bond or other funding source that may be underwritten by PG&E at the time of transfer in lieu of expending its resources for immediate dismantling.

KC LLC is a company set up and supported by Davis Hydro to lease the requisite facilities from the Kilarc Trust organization, providing the financial and manpower support to facilities maintenance, and accepting responsibility for meeting performance standards that would be a condition of the hydropower license, either established by the FERC or as mandatory 4(e) conditions of the National Marine Fisheries Service (NMFS).

Who We Are:

Davis Hydro formed KC LLC to work with the greater Kilarc community to continue the operation of parts of the Kilarc - Cow Creek Project in a manner that enhances fish habitat and fishing in the area. A website was established at www.kilarc.info in early 2007 to provide current information. Most all documents and filings on this project are available here.

KC LLC may also be conducting other related projects under the direction of the Kilarc Trust involving endangered species fish enhancement, fish habitat rehabilitation, fish guidance, recreation, and resource preservation.

KC LLC was formed by its two principals: Dick Ely of Davis Hydro and Kelly Sackheim of Sackheim Consulting. Other associated staff include hydro engineer, Jay Boeri, who provides FERC with engineering services, and other consultants including biologists, GIS experts, and an economist.

To learn more about the members of KC LLC, the following websites may be helpful:

- www.DavisHydro.com - Dick Ely's Hydro/Fish website. Davis Hydro has experience in the development and operation of numerous small hydro projects.
- www.TheDavisCollaborative.com - Dick Ely's website containing other environmental and economic projects.
- www.Sackheimconsult.com - Kelly's environmental and FERC compliance website.
- www.KChydro.info - A newer website describing other longer-term hydro projects being developed or explored.

On these sites, you will find résumés, parallel projects, and other related material. Please request more information if you have any trouble finding anything. The FERC process is complex and difficult to understand – even by the people involved in it, so we would be glad to help you understand the process more clearly.

The Davis Hydro Alternative

for the Future of a

Natural and Community Resource

A living part of the history of the Whitmore community



The best youth and handicapped-accessible fishing in Northern California



Kilarc Reservoir



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Working with the Community to Achieve Goals

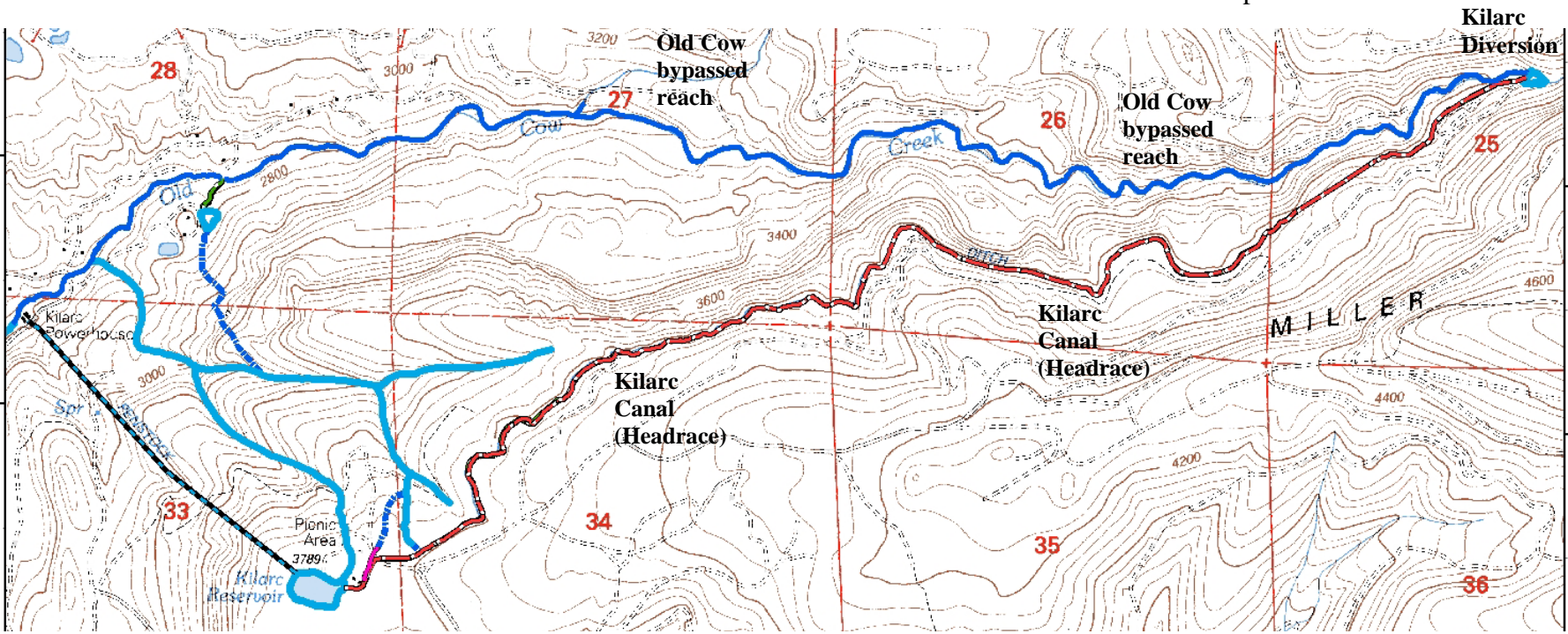


Kelly Sackheim & Richard Ely attended a meeting of the Cow Creek Watershed Management Group in February 2007 to seek a field site for studying fish herding technology. We were then asked to investigate the possibility of maintaining the operation of the Kilarc Reservoir following PG&E's departure. This introduction and request has brought us where we are today.



The Save Kilarc Committee (www.SaveKilarc.org) under Glenn Dye is participating in the FERC License Surrender process, engaging the community and elected representatives. The Friends of Cow Creek Preserve (FoCCP) aids the Save Kilarc Committee, providing a forum for the community to become better informed and express their opinions regarding the importance of Kilarc Reservoir to the community.

Kilarc Project & Diverted Reach of Old Cow Creek



Davis Hydro will support The Kilarc Trust

The Kilarc Trust is conceived as a community- and resource agency-directed entity responsible for achieving the goals of the project.

The Kilarc Trust – Structure

Trustees

- 2-3 Community Members
- 2 Fish Agency Representatives (state/federal)
- 1 Neighboring Large Land Owner (Sierra Pacific or Roseburg)
- 1-2 Fishing/Recreation Groups
- Others ?

Advisors - As needed

- Davis Hydro, Fish Biologists, Ranchers, etc.

Committees

- Science, Operations/Executive

Fiduciary Responsibility

- Trust for fish, community, and recreation services.

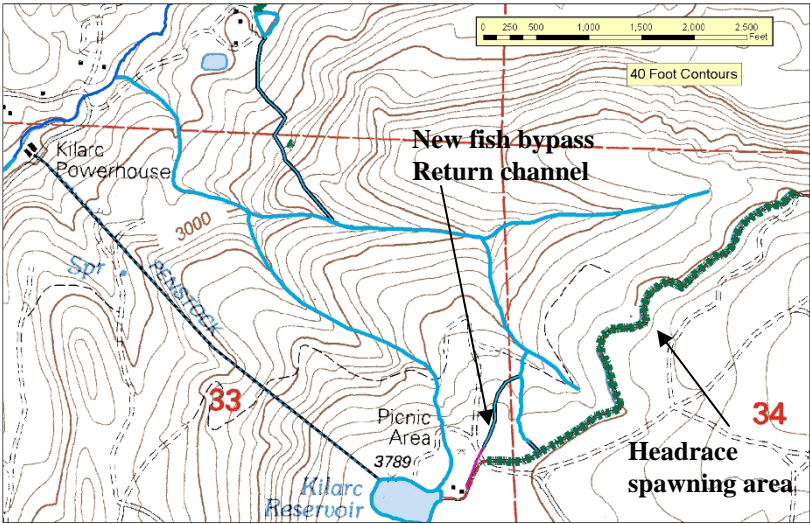
The Kilarc Trust – Functions

- Takes title to property
- Maintains Recreation & Community Services
- Leases hydropower operations
- Operates on lease payments and profit sharing
- Monitors fish production
- Directs all fish production and public functions
- Funds off-project fish enhancement projects
- Provides scientific support and research
- Resolves access and production conflicts

Our Proposal for Enhancement of Fish and Fishing

Davis Hydro came late to the surrender by PG&E of the Kilarc-Cow Creek hydro license. When we arrived, looking for a place to do fish research, the opportunity to try to save the hydropower became an integrated goal. We realized that some of the profits from the hydropower could be used for projects that would benefit the fish. After two years of study, we believe that the first and most effective way to help the fish in this area is to use the headrace as a spawning ground to provide a source of anadromous juveniles. These small fish would return to the Old Cow via a new fish bypass. The reasoning behind this is that there is some adult habitat in the Old Cow Creek, but little to no spawning beds and difficult, intermittent, and limited upstream passage.

In summary, the Davis Hydro plan is to use the Kilarc facilities to grow and to emit juvenile fish. The project will continue releasing cool water to downstream habitat. This is the best plan for helping restoration of the Sacramento steelhead, best for fishing/recreation, best for the community, and, through green power, best for the planet.



Fish biology is advancing quickly, giving responsible agencies a better understanding of the resources they control. Much is unknown, however. The agencies are often seriously understaffed, and have to work with limited, imperfect tools.

Because of these problems, and the worthiness of our collective goals, representatives of agencies are careful in approaching new ideas. We respect this, and will try to work within the bounds of the administrative resources available. There are no easy answers in the Kilarc – Cow Creek process, so we will try to work open-mindedly with all parties while deciding what is best to do with this resource.