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FOR IMMEDIATE RELEASE:

North Yuba Water District Sues South Feather Water Power Authority for Breach of Contract

Brownsville, CA – June 18, 2021 – Thursday, North Yuba Water District (NYWD) filed a lawsuit against South Feather Water and Power Authority (SFWPA) asserting a number of legal issues, including breach of contract and breach of fiduciary duty.

NYWD and SFWPA are 50/50 partners in the South Feather Power Project (SFPP), a water supply and hydropower project located within Yuba, Butte and Plumas counties. In 2004, the California State Water Resources Board issued an order requiring an agreement between SFWPA and NYWD, which the parties executed in 2005, and is now known as the “2005 Agreement”. The 2005 Agreement addressed all issues pertinent to the use of the storage, diversion, and conveyance system of the SFPP, such as sharing of SFPP net revenues derived from power and water sales, and accounting processes for SFPP expenses to determine and distribute the SFPP net revenues between the partners. The 2005 Agreement entitles NYWD at all times reasonable access to SFPP records; and requires SFWPA to provide NYWD with monthly and annual detailed accounting records.

In the lawsuit filed Thursday in Butte County Superior Court, NYWD outlines their claims against SFWPA for: (1) Breach of Contract; (2) Breach of Implied Covenant of Good Faith and Fair Dealing; (3) Accounting; (4) Conversion; (5) Breach of Fiduciary Duty; and (6) Declaratory Relief.

“South Feather alone maintains the explanations and documents needed to ensure North Yuba is receiving their fair share of the proceeds,” said North Yuba Water District Board President, Gary Hawthorne. “For years they have denied North Yuba access to information, and for the better part of the past year, they have limited our formal, legal requests for records. This litigation was avoidable by South Feather if they had simply provided the transparency required under the 2005 Agreement.”

The lawsuit details the following: how SFWPA has failed to provide NYWD the required monthly and annual accounting; how SFWPA refused to allow NYWD reasonable access to the SFPP accounting records; how SFWPA is holding excess reserve funds in the amount of \$4,474,906, which should be immediately distributed to the parties on a 50/50 basis; and how NYWD is reasonably sure that once all accounting records are available, additional monies will be owed to it based on the terms and conditions of the 2005 Agreement.

NYWD provides domestic water service to approximately 2500 residents in Brownsville, Forbestown, Rackerby and Challenge, and irrigation water to approximately 100 parcels in Dobbins and Oregon House. For more information about the NYWD, visit www.NYWD.org.

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