

December 11, 2015

Dear Community Members and Interested Parties,

I'm writing with some brief updates on the River Falls Hydroelectric Project (P-10489). The community, City staff, policy makers, and interested parties are encouraged to mirror the Kinni and continue with our cool and calm approach regarding hydroelectric relicensing and the River Corridor study.

Deliberate and thoughtful action tends to produce the best outcomes in complex multi-party issues in the community. The City Council has endorsed a deliberate community planning process for the river corridor. It was wise to do so. We are currently actively involved in Sediment Analysis and pursuit of a five-year license extension with the Federal Energy Regulatory Commission (FERC). Also, the City is developing an outline for the multi-year planning process and determining how to find the best consulting partners to assist the community with this important discussion.

First, the sediment studies: We have continued with the sediment analysis as planned to further inform the river corridor plan. Following your input, Inter-Fluve prepared a final sediment sampling plan and worked with their staff and contractor to take 12 core samples on November 23 & 24. We expect to receive preliminary testing data on those samples in the coming days. The results will determine whether any follow up testing will be necessary. When the testing is finished, Inter-Fluve will be finalizing the sediment analysis and presenting their report of sediment management strategies to the City Council in 2016. Again, this information will support the river corridor planning process.

Second, the License Extension request: Many of you may have heard by now that the City's request for a 5-year extension of the license was initially denied by FERC staff. I understand there are many questions that come with this news about what the City is going to do next. Although FERC has initially denied our extension request, City staff is continuing to pursue the extension through whatever means may be available to us. Initially, we are considering our re-hearing and appeal opportunities. Keep in mind that this was a FERC staff response and there are other steps we can take to escalate our request for extension. We have logic, reason, thoughtfulness, stakeholder and community support, and the public interest on our side.

For obvious reasons, the extension still makes sense while we work to understand community sentiment for the future of the river corridor and how the dams fit with that future. It would be premature to use the initial denial by FERC as a reason to abandon, hasten, or somehow materially change our plans at this point. Our focus remains on data gathering, planning, and community dialogue.

I also want to take this opportunity to thank all of you who have supported the river corridor planning process, especially in this application. The strong stakeholder and community support for our planning process was noted by FERC, although not given the appropriate weight in their decision. We at the City appreciate your trust in the process and that we will arrive at the best long-term solution together. We will keep you up-to-date on the next steps forward, which will likely occur in January after the holidays.

I look forward to working with you and the community over the next few years in developing a plan we can be proud of.

Sincerely,

Scot E. Simpson, City Administrator