

JAN 20 1983

JAN 26 1983

TR W/NO ATTACHMENT The Resources Agency

Memorandum

attachments received 2/1/83 Hcm

To : Compliance Auditor, File No. 79-AFC-4C
California Energy Commission (MS-2000)
1516 Ninth Street
Sacramento, CA 95814

Date : January 21, 1983

File No.:

Subject: Bottle Rock Power-
Plant Socio-Economic
Impact in Lake County

From : Department of Water Resources

Transmitted by this memorandum is a copy of an amendment, dated October 5, 1982, to the agreement between the Department of Water Resources and Lake County pertaining to the construction, operation and maintenance of an impoundment structure on Kelsey Creek. This amendment requires that the County construct, operate and maintain the impoundment structure utilizing funds from the Department of Water Resources. The Department paid \$455,000 in December 1982 for the construction of this facility and will annually pay \$7,500 for its operation and maintenance after the structure is in service.

Clayton H. Magonigal

Clayton H. Magonigal, Chief
Compliance Monitoring
Division of Operations
and Maintenance
8-485-6347

Attachment

DOCKET 79-AFC-4C
DATE: JAN 21 1983
RECD: FEB 2 1983

COMPLIANCE
FILE COPY

AMENDMENT TO AGREEMENT BETWEEN
THE DEPARTMENT OF WATER RESOURCES AND
THE COUNTY OF LAKE
FOR KELSEY CREEK IMPOUNDING STRUCTURE AND
CREEKBED IMPROVEMENT PROGRAM

B 53820 AM

This Agreement, entered into this 5th day of October, 1982, by and between the State of California, Department of Water Resources, hereinafter referred to as "State", and the County of Lake, hereinafter referred to as "County".

WHEREAS, the State and the County entered into an agreement on December 30, 1980, whereby the State agreed to construct a flashboard dam and implement a streambed restoration and stabilization program in Kelsey Creek, Big Valley Water Basin, County of Lake, as a mitigation measure resulting from its construction of its Bottle Rock Powerplant; and

WHEREAS, the County has determined that its best interests will be served by the County constructing said facility rather than the State; and

WHEREAS, the State has determined to provide the County with \$455,000 for said construction and streambed restoration program and additional funds for the operation and maintenance expenses of said facility in full satisfaction of the State's obligation to the County; and

WHEREAS, the State and County have agreed to amend their original agreement of December 30, 1980 to reflect the above-stated intentions.

COMPLIANCE
FILE COPY

DEC 21 1982 SH

NOV 09 1982

NOV 17 1982

NOW, THEREFORE, the parties hereto do mutually agree to amend their original agreement to read as follows:

1. This Agreement is made with reference to the following facts, among others:

a. The State has obtained approval from the California Energy Commission to construct the 55 megawatt Bottle Rock Powerplant on the Francisco Leasehold in Lake County and has started construction of said plant.

b. The County intervened in the proceedings before the California Energy Commission on the State's Notice of Intention (NOI) and Application for Certificaton (AFC) for the Bottle Rock Powerplant. The County's reasons for intervening were primarily because of its concerns with the socio-economic impacts resulting from the construction of the powerplant.

c. The California Energy Commission's Final Report on the NOI for the Bottle Rock Powerplant includes a finding which states that the County and State shall meet in an attempt to resolve the County's socio-economic concerns. The Final Report includes a conclusion that the County and State have agreed to negotiate mitigation measures, consistent with State law, for any agreed-upon socio-economic impacts.

d. Construction of a flashboard dam on Kelsey Creek and a streambed restoration and stabilization program is necessary to mitigate the potential effects of the Powerplant on the Big Valley Water Basin.

2. State shall, no later than thirty (30) days after this Amended Agreement is executed by both parties and approved by State's control agencies, pay to County the sum of Four Hundred

Fifty-Five Thousand Dollars (\$455,000), which funds are to provide for additional recharge of the Big Valley Water Basin by construction of a flashboard dam and implementation of a streambed restoration and stabilization program. This payment is in full satisfaction to the State's obligation to the County, except as provided in Paragraph 5, to construct a flashboard dam on Kelsey Creek and a streambed restoration and stabilization program.

3. County shall have full responsibility for the design and construction of said dam and the implementation of said streambed program. County shall design and construct said flashboard dam and streambed restoration and stabilization program as soon as practicable after receipt of State funds.

4. County shall have full responsibility for the operation and maintenance of the flashboard dam and the streambed restoration and stabilization program.

5. State shall, upon receiving notice from County that construction of said facilities is complete, pay to County the sum of Seven Thousand Five Hundred Dollars (\$7,500) annually, adjusted annually for inflation using the Engineering News Record, Water and Power Construction Cost Composite Index, for the operation and maintenance of the facilities. Said inflation adjustment shall be made by using a base of January 1981. Said annual payment shall be made to County between January 1 and January 31 of each year after construction is completed. Said obligation of State to pay County annual sums for operation and maintenance as provided herein shall expire upon permanent cessation and abandonment of the use of the Bottle Rock Powerplant by the State or upon cessation and abandonment of the dam by the County.

6. If any payments to be made by State to County in Paragraphs 2 and 5 are not timely made as provided therein, State shall pay to County a late payment penalty at an annual rate equal to that earned by the Pooled Money Investment Fund as provided in Government Code Section 16480 et seq., calculated monthly, at the time of the payment due date.

7. County agrees that its concerns with regard to impacts of construction of Bottle Rock Powerplant on the depletion of water from the Kelsey Creek watershed and the Big Valley Water Basin are satisfied by this Agreement and that this Agreement shall be submitted to the Energy Commission pursuant to its Final Decision and Order on the Bottle Rock Powerplant NOI.

8. Except as expressly provided in this contract, the State does not waive any immunities that it may have or submit to any inferior jurisdictional authority now or in the future.

9. This Agreement shall terminate upon permanent cessation and abandonment of the use of the Bottle Rock Geothermal Powerplant by State or upon cessation and abandonment of the use of the dam by the County.

10. County affirms that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and County affirms that it will comply with such provisions before commencing the performance of the work under this Agreement.

11. In performance of the work under this Agreement, the County shall comply with the Fair Employment Practices Addendum

DIRECTOR OF GENERAL SERVICES: THE ATTACHED CONTRACT IS SUBMITTED FOR YOUR APPROVAL. IN SUPPORT OF THIS REQUEST THE FOLLOWING INFORMATION IS PROVIDED.

DEPARTMENT OF TRANSMITTING CONTRACT	
Department of Water Resources	
DIVISION, BUREAU OR OTHER UNIT	
Division of Design and Construction	
DATE	CONTRACT NO.
November 2, 1982	B-53820 AM I

CONTRACTOR
Lake County

1. DIGEST OF CONTRACT (WORK TO BE PERFORMED, AMOUNT TO BE PAID, TERM)

Under this amendment, the Department will pay the Contractor a lump sum of \$455,000 in exchange for the Contractor's agreement to construct a flashboard dam and streambed restoration program on Kelsey Creek. The Department will remain responsible for paying up to \$7,500 per year for operation and maintenance adjusted annually for inflation. Payment to be made between January 1 and January 31 until State abandons Bottle Rock Powerplant or upon abandonment of the dam by the County.

2. SPECIAL OR UNUSUAL TERMS, CONDITIONS OR SIGNIFICANCE OF CONTRACT (INDICATE IF NOT APPLICABLE)

None.

3. REASON AND NECESSITY FOR CONTRACT

This is an amended contract allowing the Department to pay the Contractor a lump sum instead of being responsible for doing the work itself.

IS THIS A RENEWAL OF A PREVIOUS CONTRACT OR SERVICE? YES NO

4. SUMMARY OF BIDS: A. LIST BIDDERS AND AMOUNTS BID
B. EXPLAIN:
1. AWARD OF CONTRACT IF TO OTHER THAN LOW BIDDER OR IF BIDS WERE NOT OBTAINED
2. IF NO BIDS OBTAINED, BASIS FOR CONCLUDING REASONABLENESS OF CONTRACT RATES OR PRICE

Not applicable.

6201-3004 - 3820
W.O. # ~~4201-3202~~
W.O. # 1520-1021

5. MINORITY OR WOMAN OWNED BUSINESS AS DEFINED IN SAM SECTION 1206.17

YES NO

AUTHORIZED DEPARTMENT SIGNATURE: D. G. Barnett TITLE: Chief, Design Office

attached hereto and made a part of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Amended Agreement on the day and year first above written.

APPROVED AS TO LEGAL FORM AND SUFFICIENCY

STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

J.A. Towne
Chief Counsel
Department of Water Resources

[Signature]
Deputy Director

COUNTY OF LAKE

[Signature]
CAMERON L. REEVES
County Counsel
County of Lake

[Signature]
Chairman
Board of Supervisors

ATTEST: LOIS R. HESTERBERG
County Clerk

By: [Signature]
Deputy

APPROVED
DEC 21 1982

APPROVED
[Signature]
Department of Far
11/24/82

Disbursement		Fund		Item		Ch	
From							
Reimbursement		Fund		Item		Ch	
from							
F.Y.	ACCOUNT NO.	ORGAN. NO.	EXP. CODE	BUDGET ITEM NO.	ENCUMBRANCE (FRAGMENT)	UNENC. BAL.	
82	0103	2024	2020	2014	1,155,000		
82	0103	2024	2020	2014	7,000		

I Herby Certify upon my own personal knowledge that the unencumbered balance of the departmental budget provision for the period stated above is correct.
(After TRA No. _____ or BR No. _____)
DWI 607 (REV. 4-82) FUNDING STRIP

[Signature]
SHEILA B. BROWN, ACCOUNTING OFFICER
STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

263-2371
-2367

DEPARTMENT OF WATER.
RESOURCES

M I N U T E O R D E R

LAKE COUNTY BOARD OF SUPERVISORS

AUGUST 17, 1982

MEETING OF _____

- 29. 2:30 P.M. - BOARD DISCUSSION OF DWR AGREEMENT (KELSEY CREEK FACILITIES) - This item had been continued from August 3, 1982. Dick Lallatin of the State Department of Water Resources was again present and gave a brief history of this project. It was again noted that when the Flood Control Director (Hank Porter) desired to increase the size of the recharge dam, DWR declared an intention to turn over this project to the County of Lake, along with a lump sum of money. At the present time, the County proposed to accept a lump sum of \$470,000 plus \$7,500.00 per year, for thirty years, for maintenance. This figure would be adjusted to inflation, annually. The State, while in accordance with the \$7,500 adjustable, annual figure, has offered Lake County the lump sum of \$435,000. Mr. Porter suggested that the County might accept \$15,000 less, or \$455,000, inasmuch as a private consultant would be doing the design and geological work and not DWR. The Board was in agreement with Mr. Porter's suggestion. The terms of negotiating a new contract were discussed, in general. On motion of Supervisor Larson and by vote of the Board (4 ayes, Day ABSENT), declared the Board's intention to renegotiate the contract for the Kelsey Creek flashboard dam for the price of \$455,000; with an answer (from DWR) to be within one week; with the contract to be renegotiated and signed within 30 days; with payment to be made 90 days after negotiation of contract and yearly maintenance payout 31 days after the beginning of each year, in the amount of \$7,500, with an agreed-upon inflation factor each year following; and, any other terms mutually agreeable to the Board and DWR. Mr. Lallatin said DWR will respond to the Board by letter.