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February 27, 2020

VIA HAND DELIVERY

Lassen County Department of Planning and Building Services
Attn: Richard Egan, County Administrative Officer
707 Nevada Street, Suite 5
Susanville, CA 96130

Re: Hayden Hill Reclamation Plan – Power Transmission Line

Dear Richard:

I am writing on behalf of Lassen Municipal Utility District (LMUD) in response to the County of Lassen's letter, dated November 8, 2019 (the "County Letter"), regarding the status of a power transmission line that was installed to serve the Hayden Hill Mine, mine #91-18-0012 (the "Hayden Hill Mine"). As the County is aware, LMUD purchased the power transmission line (the "Hayden Hill Line") in December 2007, and provided a financial-assurance mechanism for the Hayden Hill Line, pursuant to the provisions of the 1991 Hayden Hill Reclamation Plan, as modified by the 1999 Hayden Hill Reclamation Plan Modifications. The Hayden Hill Mine is no longer active and the majority of the mine site has been reclaimed, in compliance with the Surface Mining and Reclamation Act and the reclamation plans. However, the Hayden Hill Line, which is not currently in use, remains in place. The County Letter requested that, prior to March 2020, LMUD either "commenc[e] with power line removal, and provide a proposed completion date," or "[p]rovide LMUD's legally supportable alternative plan to obtain changes in the requirement for removal, for Board consideration."

LMUD plans to retain the Hayden Hill Line, as there appears to be no compelling reason to expend public funds to remove it, and it could provide electric service, should the County decide to approve future developments. The Hayden Hill Line is not currently electrified, and LMUD has no plans to electrify it; therefore, the Hayden Hill Line presents no risks with regard to personal injury, property damage, or wildfire.

The Hayden Hill Line also, on its own, will not facilitate new development. Currently, there are only a small number of properties that could potentially obtain power from the line, including a few ranches that are currently powered by diesel generators (and which could benefit from access to reliable electricity). All other parcels and properties in the vicinity of the line are zoned for agricultural use, which does not allow significant residential development. Any re-zoning would require additional approvals and entitlements by the County; therefore, leaving the Hayden Hill Line in place will not induce or facilitate growth or development, and the County remains the gatekeeper as to any future development. To the

extent that environmental review will be required under the California Environmental Quality Act for the decision to leave the Hayden Hill Line in place, that review need not consider the impacts of future development, as whether that development may occur—and the nature and scope of that development, if it does occur—would be entirely speculative.

Furthermore, removal of the Hayden Hill Line would be costly, and could potentially cause adverse impacts to the environment, such as construction noise and emissions of criteria pollutants and greenhouse gasses due to the ingress and egress of equipment. The line is in relatively good condition, and it would cost an estimated \$6,000,000 to build today. On balance, LMUD believes that the Hayden Hill Line is a valuable asset and should remain in place.

The approved Reclamation Plan for the Hayden Hill Mine allows the Hayden Hill Line to remain in place if the County so requests. The Reclamation Plan, as modified in 1999, states that “[t]he transmission line providing power to Hayden Hill will be removed unless it is requested to remain by Lassen County in accordance with the Lassen County use permit.”¹ In order for the Hayden Hill Line to remain in place, the County General Plan will need to be amended. The Conditions of Approval for County Use Permit No. 9-02-89 (the “Use Permit”) state that “[t]he permittee . . . shall remove the line as part of the reclamation and closure process, unless the County adopts General Plan policies to provide for the continued existence of the line for other purposes.”² LMUD is currently reviewing relevant documentation to determine what amendments may be required. Based on the information currently available, such amendments may include amendments to the Hayden Hill Resource Plan and the Energy Element.

Accordingly, LMUD hereby requests the County’s concurrence that the Hayden Hill Line should remain in place and requests a meeting with County staff to discuss necessary amendments to the County General Plan. We look forward to working with the County on this matter.

Sincerely,



Doug C. Smith
General Manager
Lassen Municipal Utility District

cc: Dave Ernaga (basco@frontiernet.com)
Eugene Chittock (echittock@chittocklaw.com)
Kathryn Oehlschlager (koehlschlager@downeybrand.org)

¹ Reclamation Plan Modification, Section 5.7.8; County Resolution No. 07-04-99 (approving the Reclamation Plan Modifications and, as the last condition of approval, stating that the Reclamation Plan Modifications control if in conflict with the previously approved Reclamation Plan).

² County Resolution No. 91-81, Exhibit Six (Use Permit Conditions of Approval), Section I(15).