



County of Lassen
Department of Planning and Building Services

• Planning • Building Permits • Code Enforcement • Surveyor • Surface Mining

Maurice L. Anderson, Director
707 Nevada Street, Suite 5
Susanville, CA 96130-3912
Phone: 530 251-8269
Fax: 530 251-8373
email: landuse@co.lassen.ca.us
website: www.co.lassen.ca.us

November 22, 2019

Zoning & Building
Inspection Requests
Phone: 530 257-5263

TO: Board of Supervisors
Agenda Date: December 10, 2019

FROM: Maurice L. Anderson, Director

SUBJECT: Consider approval of full release of financial assurances held by Lassen County for completion of the Habitat Mitigation and Management Plan at the Hayden Hill Gold Mine, operated by Lassen Gold Mining, Inc. (LGMI)

ACTION REQUESTED:

1. Receive report; and
2. Adopt a resolution approving full release of a \$500,000 financial assurance held for completion of the Habitat Mitigation and Management Plan.

SUMMARY

Lassen Gold Mining, Inc. (LGMI) has requested full release of a financial assurance held by Lassen County for completion of the Habitat Mitigation and Management Plan (HMMP) at the Hayden Hill Gold Mine (ID #91-18-0012). On August 8, 2016, the Lassen County Department of Planning and Building Services received a request from LGMI for full release of the HMMP letter of credit, in the amount of \$500,000. This request was accompanied by a report from SRK Consulting, Inc., regarding completion of tasks required under the HMMP.

An independent consultant, Tetra Tech, Inc., was hired by the County and paid through a funding agreement with LGMI to evaluate this release request. Tetra Tech found that all HMMP requirements have been met, aside from removal of the mine site power line, which became the property and responsibility of Lassen Municipal Utility District (LMUD) through a 2007 purchase agreement, and recommended full release of the \$500,000 letter of credit. This financial assurance release request went before the Lassen County Board of Supervisors for approval on December 18, 2018. The item was tabled to a future meeting, as it was determined that LMUD needed to obtain a special use permit from the U.S. Forest Service for the portion of the power line crossing Forest Service land. Subsequent to the December 18, 2018, meeting, LMUD secured the necessary special use permit from the U.S. Forest Service and the request returned to the Board on October 22, 2019. No action was taken on the release request at the October 22, 2019, meeting, as LMUD needed to renew removal of the power line as a line item in its 2019 fiscal year budget, in accordance with LMUD Resolution No. 2018-06, which approved a budget-set-aside for this portion of reclamation. On October 29, 2019, LMUD's Board of Directors approved Resolution No. 2019-07 to amend its 2019 fiscal year budget to include a line item for "Financial Assurance for Removal of Hayden Hill Line" in the amount of \$916,798.49.

Pursuant to Public Resources Code § 2773.1(a)(5), the total amount of financial assurances required for a mine site shall not exceed the amount necessary to perform reclamation. A Financial Assurance Cost Estimate (FACE) for the power line removal portion of reclamation at the Hayden Hill Gold Mine was submitted by LMUD and approved by the Department of Planning and Building Services, acting as lead agency under the Surface Mining and Reclamation Act, in the amount of \$916,798.49. As the LMUD budget-set-aside agrees with the approved FACE amount, and as all other requirements of the HMMP have been met, this Department finds LGMI's \$500,000 HMMP letter of credit to be eligible for full release.

MLA:njm

Enclosures:

- Draft Resolution – HMMP Letter of Credit
- LGMI Release Request
- LMUD Financial Assurance Cost Estimate (FACE)
- LMUD Resolution Nos. 2018-06 and 2019-07

S:\PLA\Admin\FILES\800 Planning\20 Mining Files\Master Correspondence OMR and Operators\91-18-0012 Hayden Hill\Bond Reduction Request 2016 & Correspondence\BoS 12.10.19

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LASSEN APPROVING FULL RELEASE OF THE HABITAT MITIGATION AND MANAGEMENT PLAN FINANCIAL ASSURANCE BASED ON COMPLETION OF REQUIREMENTS.

WHEREAS, Lassen Gold Mining, Inc., has operated the Hayden Hill Gold Mine in Northern Lassen County since 1989 under County Use Permit #9-02-89 and the shared regulatory jurisdiction of Lassen County, Bureau of Land Management, U.S. Forest Service, Central Valley Regional Water Quality Control Board, and the Department of Conservation, Division of Mine Reclamation; and

WHEREAS, Condition #7.B.1. of Use Permit #9-02-89 required a statement of responsibility for implementation of the Habitat Mitigation and Management Plan and agreement to provide financial assurances for the total amount of \$500,000 to secure the permittee's performance; and

WHEREAS, the County holds an approved financial assurance for completion of the Habitat Mitigation and Management Plan in the form of an irrevocable letter of credit from the Bank of Nova Scotia, in the amount of \$500,000; and

WHEREAS, Lassen Gold Mining, Inc., has submitted a request for full release of the Habitat Mitigation and Management Plan financial assurance; and

WHEREAS, in response to said request, Lassen County contracted with Tetra Tech, Inc., an independent consulting firm with expertise in the areas of mining, reclamation and cost estimating, to perform an objective analysis of the request in light of the Habitat Mitigation and Management Plan and requirement completion to date, on behalf of the County as lead agency; and

WHEREAS, the technical memorandum prepared by Tetra Tech confirms that full release of the Habitat Mitigation and Management Plan financial assurance, in the amount of \$500,000, is warranted based on requirements completed; and

WHEREAS, a power line established for use by the Hayden Hill Gold Mine, and responsibility for its required removal, was acquired by the Lassen Municipal Utility District (LMUD), who has provided sufficient financial assurance replacement. This financial assurance is in the form of a Budget Set Aside in the amount of \$916,798.49, approved by the LMUD Board of Directors on October 30, 2018, by Resolution No. 2018-06, and to remain in effect until the power line is removed, the financial assurance is adequately replaced, or the power line removal requirement is eliminated by approved amendment; and

WHEREAS, County staff contacted the California Department of Fish and Wildlife regarding the Habitat Mitigation and Management Plan and no response was received prior to this consideration; and

WHEREAS, modification of financial assurances qualifies as a categorical exemption from the California Environmental Quality Act (CEQA) under section 15308 of the CEQA Guidelines, which discusses actions taken by regulatory agencies to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment.

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF LASSEN COUNTY DOES HEREBY RESOLVE:

1. The foregoing recitals are true and correct.
2. The Board of Supervisors Finds as follows:
 - a. The evidence indicates that all required activities have been completed in conformance with the Habitat Mitigation and Management Plan, aside from power line removal for which sufficient financial assurance replacement has been provided, and that full release of the existing Habitat Mitigation and Management Plan financial assurance is warranted; Said evidence was presented at meetings held by the Board of Supervisors on December 18, 2018, October 22, 2019, and December 10, 2019.
 - b. Release of this financial assurance by Lassen County has been deemed appropriate, as Lassen County is listed as beneficiary and no comments expressing opposition have been received from the California Department of Fish and Wildlife.
3. The Board of Supervisors hereby approves full release of the existing \$500,000 Habitat Mitigation and Management Plan financial assurance for the Hayden Hill Gold Mine, and authorizes the Director of Planning and Building Services to sign all necessary forms.

Resolution NO. _____

The foregoing resolution was adopted at a regular meeting of the Board of Supervisors of the County of Lassen, State of California, held on the 10th day of December 2019, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

Chairman of the Board of Supervisors
County of Lassen, State of California

ATTEST:
JULIE BUSTAMANTE
Clerk of the Board
BY _____

MICHELE YDERRAGA, Deputy Clerk of the Board

I, MICHELE YDERRAGA, Deputy Clerk of the Board of Supervisors, County of Lassen, do hereby certify that the foregoing resolution was adopted by the said Board of Supervisors at a regular meeting thereof held on the 10th day of December 2019.

Deputy Clerk of the County of Lassen Board of Supervisors



A Kinross company
5075 S Syracuse St., 8th Floor
Denver, CO 80237

phone: (303) 802-1421
cell: (775) 742-0357

August 2, 2016

Mr. Maurice Anderson, Director
County of Lassen
Department of Planning and Building Services
707 Nevada Street, Suite 5
Susanville, California 96130-3912

Re: Hayden Hill Mine 2016 Bond Reduction Request

Dear Mr. Anderson:

Pursuant to the Surface Mining and Reclamation Act of 1975 (SMARA) §3805.5- Modification or Release of Financial Assurance, Lassen Gold Mining, Inc. (LGMI) is hereby requesting a reduction of \$2,060,520 of its reclamation financial surety currently held by Lassen County in the form of a Letter of Credit (S004/43695/03) for reclamation and closure of the Hayden Hill Mine. In addition, LGMI is requesting the release of the \$500,000 surety designated for implementation of the *Habitat Mitigation and Management Plan for the Hayden Hill Project* (HMMP) held by the County under Letter of Credit Number S003/43695/03.

SRK Consulting (U.S.), Inc. (SRK), at the request and under the direction of LGMI, conducted an inspection of the Hayden Hill Mine in June 2016 and prepared the enclosed documentation. Their findings, supported by the revegetation assessments prepared by Eastside Environmental of Chico, California (attached), serve as justification for the requested bond releases.

LGMI would like to thank you in advance for your assistance in facilitating a prompt bond reduction for the Hayden Hill Mine. Should you have any questions regarding this request, please do not hesitate to contact me at (775) 742-0357 or via e-mail at Kevin.Roach@Kinross.com.

Sincerely,

Lassen Gold Mining, Inc.

Kevin J. Roach
Director, Reclamation Operations

Enclosures

Cc: Dennis Sylvia, Bureau of Land Management - Alturas
Chris Christofferson, Modoc National Forest - Adin
George Low, California Regional Water Quality Control Board - Redding
Mike Luksic, Office of Mine Reclamation - Sacramento

RECEIVED

AUG 08 2016

Lassen County Department of
Planning and Building Services



SRK Consulting (U.S.), Inc.
5250 Neil Road, Suite 300
Reno, NV 89502

T: (775) 828-6800
F: (775) 828-6820
reno@srk.com
www.srk.com

August 2, 2016
SRK Project No. 73400.470

Lassen Gold Mining, Inc.
5075 S. Syracuse Street, 8th Floor
Denver, CO 80237

Attn.: Mr. Kevin Roach – Director, Reclamation Operations

RE: **DOCUMENTATION FOR RELEASE OF FINANCIAL ASSURANCE – HAYDEN HILL HABITAT
MITIGATION AND MANAGEMENT PLAN BOND**

Dear Mr. Roach:

SRK Consulting (U.S.), Inc. has prepared the following information related to the *Habitat Mitigation and Management Plan for the Hayden Hill Project* (HMMP) (Sharp, 1991), on behalf of Lassen Gold Mining, Inc. (LGMI), as demonstration of successful performance of mitigation measures in order to request release of the financial assurance associated with the HMMP. Initial assessments of the implementation and success of the HMMP was provided by Woodward (1997a; 1997b) demonstrating compliance by LGMI with the conditions of the 1991 plan. However, the longer-term habitat mitigation requirements for both sage grouse and mule deer were not fully realized or demonstrated at that time. As a result, LGMI, in cooperation with the California Department of Fish and Game (CDFG) and Lassen County, agreed to perform certain additional specific activities to fulfill those requirements. These additional activities were outlined in LGMI's letter to the County of Lassen, Department of Community Development, dated January 29, 1999, and LGMI's letter to CDFG, dated September 15, 1999, which stated that LGMI would perform the following tasks, all of which have been completed:

- *Continue the Surety bond that is in place until all measures agreed to have been implemented.*

Status: As agreed.

- *Complete a collection agreement with the U.S. Department of Agriculture, Forest Service, Modoc National Forest (USFS), in the amount of \$109,000 for the mule deer mitigation projects listed in Mr. Koch's letter of August 14, 1998.*

Status: Completed as per USFS letters from Stanley Sylva, Forest Supervisor, dated May 26, 2005 and April 1, 2008.

- *Transfer ownership of Section 2, T36N, R9E to an entity acceptable to Lassen County and CDFG.*

Status: Completed. LGMI donated a total of 756 acres to the U.S. Department of the Interior, Bureau of Land Management (BLM) by way of Grant Deed dated July 10, 2009. This donation included all of

U.S. Offices:	Canadian Offices:	Group Offices:
Anchorage 907.677.3520	Saskatoon 306.955.4778	Africa
Denver 303.935.1333	Sudbury 705.682.3270	Asia
Elko 775.753.4151	Toronto 416.601.1445	Australia
Fort Collins 970.407.8302	Vancouver 604.581.4195	Europe
Reno 775.828.6800	Yellowknife 867.873.8670	North America
Tucson 520.544.3688		South America

Section 2 referenced above, as well as approximately 40 acres in adjacent Section 11, and approximately 80 additional acres in nearby Section 6, T36N, R10E. These donated sagebrush grasslands are being managed by the BLM as protected habitat that is critical to sage-grouse and mule deer, and include over 18 acres of constructed wetlands that mitigate the impacts of mining. Transfer of the land to the BLM will ensure long-term management and protection of the wetland preserve. (BLM Press Release No. CA-N-09-71 dated July 22, 2009).

- *Prior to the transfer, Section 2 will be fenced and a \$10,000 endowment will be established for the long-term maintenance of the site.*

Status: Completed. LGMI installed a perimeter fence around approximately 600 acres of the Section 2 protected habitat and wetland preserve and established an endowment of \$35,000 with the BLM to fund long-term maintenance of the fence.

- *Restrict grazing on Anderson Ranch to the period from October 1 to October 31, with no more than 70 cow/calf units until mine reclamation in the Anderson Ranch watershed is completed and the reclamation bond is released.*

Status: Completed/ongoing. Anderson Ranch grazing has been restricted as agreed. Reclamation within the watershed has been completed and the release of the reclamation bond for these areas is being concurrently sought under a separate request. As such, grazing restrictions will continue at least until such time as the bonds are released.

- *Include deer forage species in the revegetation work to be completed as part of the final reclamation of the mine site.*

Status: Completed. Deer forage species, including bitterbrush and other herbaceous forbs, were included in the reclamation seed mix and those species are thriving.

- *All power lines and poles will be removed from the site unless Lassen County, under their authority in issuing the Use Permit, determines the lines and poles are to remain.*

Status: LGMI no longer owns, or is responsible for maintenance and/or removal of the 69KV power transmission line from the intersection of California Highways A2 and 139 to the Hayden Hill site. As per the Purchase and Sale Agreement dated December 17, 2007, Lassen Municipal Utility District (LMUD) purchased this power line from LGMI and assumed all associated liabilities and reclamation obligations. This agreement was executed under threat of condemnation by LMUD. Since LGMI no longer owns the power line, this requirement is moot, and should be stricken from the Plan obligations.

- *Potential nest sites for raptors in the final pit walls will be constructed, providing that the final configuration of the pit is conducive to such measures, and that the work can be completed without compromising the safety of employees.*

Status: Completed. Two potential raptor nesting sites were created in the Lookout Pit, one on the south final pit wall and one on the west final pit wall.

- *The placement of downed logs or trees on the final graded slopes of the Main Waste Rock Dump to promote habitat diversity.*

Status: Completed. Subsequent to completion of regrading, approximately 200 juniper trees were cut and hauled to the Main Waste Rock Dump and placed in piles of three to five trees across the reclaimed surface of the dump.

With successful completion of the HMMP mitigation efforts (as originally outlined by Woodward, 1997a; 1997b), and completion of the CDFG and Lassen County additional requirements (1999), SRK can justifiably recommend release of the associated financial assurance, currently totaling \$500,000. Specifically, this would entail the release of the associated Letter of Credit Number S003/43695/03 issued in connection with the *Habitat Mitigation and Management Plan* for the Hayden Hill Project.

Thank you for your consideration. If you have any questions regarding this recommendation, please do not hesitate to contact me or Mark Willow at 775.828.6800.

Sincerely,

SRK Consulting (U.S.), Inc.



Jeffrey V. Parshley, R.G. (CA#5568)
Corporate Consultant

References:

Lassen Gold Mining, Inc. (LGMI). 1999a. Letter to Mr. Robert K. Sorvaag, Director County of Lassen, Department of Community Development regarding wildlife mitigation plan. January 29, 1999.

Lassen Gold Mining, Inc. (LGMI). 1999b. Letter to Mr. Mark Stopher, Environmental Services Supervisor, California Department of Fish and Game regarding obligations for wildlife mitigation. September 15, 1999.

Purchase and Sale Agreement effective December 17, 2007, by and between Lassen Gold Mining, Inc. and the Lassen Municipal Utility District for the 69KV power transmission line from the intersection of California highways A2 and 139 to the Hayden Hill Mine.

Sharp, Lynn. 1991. *Habitat Mitigation and Management Plan for the Hayden Hill Project*. Prepared for: Lassen Gold Mining, Inc. September 1991.

Woodward, Roy A. 1997a. *Habitat Mitigation and Management Plan Supplement for Hayden Hill Mine*. Prepared for: Lassen Gold Mining, Inc. February 1997.

Woodward, Roy A. 1997b. *Habitat Mitigation and Management Plan Supplement for Hayden Hill Mine*. Prepared for: Lassen Gold Mining, Inc. May 1997.

FINANCIAL ASSURANCE COST ESTIMATE
FOR

Hayden Hill Mining Project Electric Transmission Line Removal

(Mine Name)

CA Mine ID #: 91- 9-01-89

Reclamation Plan # / Name: Use Permit 9-02-89

<p>Prepared by: (name and affiliation)</p> <p><u>Patrick Holley</u></p> <p><u>Asst Gen. Manager LMUD</u></p> <p>_____</p> <p>_____</p> <p>Date: <u>03/01/2018</u></p>	<p>This financial assurance cost estimate prepared and submitted pursuant to (choose one):</p> <p><input type="checkbox"/> A new or amended reclamation plan approved on: _____ (date)</p> <p><input type="checkbox"/> An annual mine inspection performed on: _____ (date)</p> <p><input checked="" type="checkbox"/> Other, please specify: <u>Request by County for Updated Cost</u></p>
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Most recent approved financial assurance cost estimate

Date: _____

Amount: \$ _____

Amount of existing financial assurance mechanism(s)

Date: _____

Amount: \$ _____

RECEIVED
MAY 30 2018
Lassen County Department of
Planning and Building Services

I. SUPPORTING DOCUMENTS

This estimate represents the cost of conducting and completing reclamation in accordance with the Surface Mining and Reclamation Act (SMARA) and the following supporting documents:

Reclamation Plan Approval Date and Number:

Permits and/or Environmental Documents Approved as, or Conditioned Upon,
the Reclamation Plan:

Other Agency Financial Assurances Securing Reclamation of Disturbed Lands:

Wage Rates Used in Cost Estimate*: *(cost estimates are required to use current 'General prevailing wage determinations made by the director of industrial relations' where applicable (<http://www.dir.ca.gov/OPRL/PWD/index.htm>) with employer labor burden added, or greater)*

Wage rates utilized from qualified contractor are at or above existing DIR published prevailing wages. The rates used in this document are loaded with overheads including overhead, benefits, and profit.

Equipment Rates Used in Cost Estimate*: *(Use current 'Labor Surcharge and Equipment Rental Rates (Cost of Equipment Ownership)' equipment rates published by Caltrans (<http://www.dot.ca.gov/hq/construc/equipmnt.html>) or other publicly available and verifiable local rates)*

Hourly rates published by qualified contractors.

Equipment Production Rates used in Cost Estimate: *(Use of current Caterpillar Performance Handbook or equivalent published production rates is required)*

No mining reclamation is to be done with this project. This project is solely an estimate of costs of removal of an overhead transmission line associated with the mine.

* Many mine sites are remote projects that require hours of travel (to and from) and sometimes require additional time to prepare for even the simplest of tasks. In accordance with Labor Code Sections 1773.1 and 1773.9, contractors are required to make travel and/or subsistence (per diem) payments to each worker to execute the work. These arrangements can be quite variable and site specific.

Attachments:

See attached rate sheets for electric utility labor and trucking labor rates.

V. PLANT STRUCTURES AND EQUIPMENT REMOVAL: *(use multiple sheets as needed)*

Provide documentation showing that rates, prices, and wages are available locally to all persons, including the lead agency and/or the Department.

Current Site Condition:

The site is an overhead transmission line that was installed to power mining equipment at the Hayden Hill Mine. The transmission line is approx. 8 miles in length along the highway from a point beginning at the intersection of County Road A2 (known as Susanville Rd.) and Hwy 139. It goes to the intersection of Hwy 139 and Hayden Hill Road. The Power line is on the east side of Hwy 139. Some areas are easily accessible and others are on slopes of steep rocky hills.

The portion of the line continuing from intersection of Hwy 139 and Hayden Hill Road to the mine is approx. 6 miles about 3 miles of which are extremely rocky terrain and inaccessible by vehicle. The other 3 mile portion is still somewhat accessible but sections are significantly inaccessible by vehicle. The line traverses cross country and along roads in some sections however very few sections are close enough to roads to aid in access.

Reclamation Plan Performance Standard *(end use):*

Remove poles by cutting at ground level and removing wire. This is to remove poles and equipment that was installed for the use of the mine. Minor grading may be required for pole areas where soil is soft and easily disturbed. County approval of any re-seeding will be obtained before performing any seeding.

Describe Tasks:

The project would begin by workers removing wire wound in segments for removal. Poles would then be climbed and then a helicopter would hover and lineman would rig the pole for removal. The employee then climbs down and pole is cut at ground level. Then helicopter would fly the pole to a location where it could be loaded for transport off site for proper disposal.

Equipment on Site Wholly Owned by Operator? ☒ YES ☐ NO

(If no, please provide the name(s) and contact information for any lien holder)

Owned by qualified contractor who would perform the work in accordance with this estimate.

V. PLANT STRUCTURES AND EQUIPMENT REMOVAL (cont.)

Methods to be used:

- A. Equipment – List equipment required to complete identified task *(for large reclamation project sites or separate mine areas)*.

Equipment	\$/Unit	# of Units	Cost (\$)
Pickup	14.00	282	3,948.00
Flatbed Truck (2)	22.00	540	11,880.00
Bucket Truck	38.00	282	10,716.00
Line Truck	38.00	282	10,716.00
Helicopter incl. Mob. and Fuel	3,000.00	120	360,000.00

Total Equipment Cost for This Task = \$ 397,260.00

- B. Labor – List all labor categories to complete identified task.

Labor Category	\$/Unit (incl labor burden)	# of Units	Cost (\$)
Traffic Control Flaggers (3)	79.99	432	34,555.68
General Foreman (1)	156.17	282	44,039.94
Foreman (1)	146.18	282	41,222.76
Lineman (4)	136.73	1076	147,121.48
Groundman (4)	99.07	1076	106,599.32

Total Labor Cost for This Task = \$ 373,539.18

- C. Demolition – List all structures and equipment to be dismantled or demolished and removed from site.

Structure/Equipment to be Removed	Type of Material	Volume/ Quantity	Unit Cost Basis	Disposal Cost	Cost (\$)
Wooden Utility Poles	Wood	128	97.76		12,513.28
Transport Truck and Driver		40	192.76		7,710.40
Wire removal (\$0.08/lb salvage value)	Wire	10	-160.00		-1,600.00
Wire removal loading and transport driver		8	102.76		822.08
Wire removal truck hourly cost		8	90.00		720.00

Total Materials Cost for This Task = \$ 20,165.76

- D. Total Direct Cost of Structure and Equipment Removal (Sum of A+B+C).

Equipment Costs + Labor Cost + Demolition Cost = \$ 790,964.94

- E. Net Salvage Value* (Supported by properly prepared third party estimate, bid, or cost calculation.)

Net Salvage Value = \$ _____

- F. Total Cost of Structure and Equipment Removal (Subtract Line D from Line E).

Total Cost of Structure and Equipment Removal = \$ 790,964.94

*NOTE: Salvage value may only be used to offset the direct cost of removing the single item for which salvage value is being claimed. Salvage value shall not be used to offset any other demolition, general cleanup, or reclamation costs.

VIII. MISCELLANEOUS COSTS *(use multiple sheets as needed)*

Provide documentation showing that rates, prices, and wages are available locally to all persons, including the lead agency and/or the Department.

Examples of this type of cost may include temporary storage of equipment and materials off site, special one-time permits (i.e.: transportation permits for extra wide overweight loads, etc.), decommissioning a process mill (i.e.: decontamination of equipment), disposal of warehouse inventories, well abandonment, remediation of fueling and waste oil storage sites, septic system removal, costs to prepare closure and monitoring reports, site security, preserving potable water and maintaining utilities, etc.

Item / Task	Quantity	\$/Unit	Cost (\$)
Rental of storage / staging of equipment and removed items \$/day	14	200.00	2,800.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00
			0.00

Total Miscellaneous Costs = \$ 2,800.00

IX. MONITORING COSTS

Monitoring Task	\$/Visit	# Visits/Year	# of Monitoring Years	Cost (\$)
None				0.00
				0.00
				0.00
				0.00
				0.00
				0.00
				0.00

Total Monitoring Costs = \$ 0.00

X. SUMMARY OF COSTS

This section shall be used to summarize all the cost sheets in one place.

(V) Total of all Plant Structures and Equipment Removal Costs	\$ <u>790,964.94</u>
(VI) Total of all Primary Reclamation Activities Costs	\$ <u>0.00</u>
(VII) Total of all Revegetation Costs	\$ <u>0.00</u>
(VIII) Total of all Miscellaneous Costs	\$ <u>2,800.00</u>
(IX) Total of all Monitoring Costs	\$ <u>0.00</u>

Total of Direct Costs = \$ 793,764.94

XI. SUPERVISION / PROFIT AND OVERHEAD / CONTINGENCIES / MOBILIZATION

(A) Supervision (<u> </u> %)	\$ <u>0.00</u>
(B) Profit/Overhead (<u> </u> %)	\$ <u>0.00</u>
(C) Contingencies (<u>5.0</u> %)	\$ <u>39,688.25</u>
(D) Mobilization (<u> </u> %)	\$ <u>0.00</u>

Total of Indirect Costs = \$ 39,688.25

Total of Direct and Indirect Costs = \$ 833,453.19

Lead Agency and/or Department of Conservation Administrative Costs = \$ 83,345.30

TOTAL ESTIMATED COST OF RECLAMATION = \$ 916,798.49



ELECTRICAL CONTRACTORS, INC.

1465 West Fourth Street • Reno, Nevada • 89503-5054 • (775) 329-0407 • Fax (775) 329-0478

Lassen Municipal Utility District (LMUD)
65 S. Roop St.
Susanville, CA 96130

August 28, 2017

Attention: Cort Cortez

RECEIVED

Reference: Hayden Hill Power Line Removal (Road)

JAN 09 2018

*Lassen County Department of
Planning and Building Services*

Mr. Cortez,

PAR Electrical Contractors, Inc., is pleased to submit for your consideration our proposal for the above referenced project. Our pricing and scope of work is based on our site visit.

Our proposal to remove the portion of line along the highway of which includes approximately 129 poles is \$430,000. This work will require traffic control, dust mitigation, and helicopter support. Approximate duration to complete this work is 12-15 days.

This proposal is based on the use of helicopters and is assuming LMUD will help secure a laydown yard and will also take care of the off haul and disposal of all poles from the secured laydown yard. We have not figured for any site restoration and/or environmental permitting that may be necessary to perform this work.

We appreciate the opportunity to quote this work to LMUD and thank you for reaching out to us for assistance. Should you have any questions or need us to refine this quote please contact Shane Glenn @ 775-329-0407 or sglenn@parelectric.com.

Regards,

PAR Electrical Contractors, Inc., a wholly owned subsidiary of Quanta Services, Inc.

Shane Glenn

Shane Glenn
Division Manager

NV License Number: 36500C-2; 51518-A • CA License Number: 687343; Classification(s) A C10 C61/D09 • CA DIR Number: 1000007254
www.parelectric.com

A QUANTA SERVICES COMPANY



ELECTRICAL CONTRACTORS, INC.

1465 West Fourth Street • Reno, Nevada • 89503-5054 • (775) 329-0407 • Fax (775) 329-0478

Lassen Municipal Utility District (LMUD)
65 S. Roop St.
Susanville, CA 96130

August 28, 2017

Attention: Cort Cortez

RECEIVED

Reference: Hayden Hill Power Line Removal (Mine)

JAN 09 2018

*Lassen County Department of
Planning and Building Services*

Mr. Cortez,

PAR Electrical Contractors, Inc., is pleased to submit for your consideration our proposal for the above referenced project. Our pricing and scope of work is based on our site visit.

Our proposal to remove the portion of line from the highway to the old mine site is \$378,000. This work includes the removal of approximately 102 poles, dust mitigation, and helicopter support. Approximate duration to complete this work is 10-12 days.

This proposal is based on the use of helicopters and is assuming LMUD will help secure a laydown yard and will also take care of the off haul and disposal of all poles from the secured laydown yard. We have not figured for any site restoration and/or environmental permitting that may be necessary to perform this work.

We appreciate the opportunity to quote this work to LMUD and thank you for reaching out to us for assistance. Should you have any questions or need us to refine this quote please contact Shane Glenn @ 775-329-0407 or sjglenn@parelectric.com.

Regards,

PAR Electrical Contractors, Inc., a wholly owned subsidiary of Quanta Services, Inc.

Shane Glenn

Shane Glenn
Division Manager

NV License Number: 36500C-2; 51518-A • CA License Number: 687343; Classification(s) A C10 C61/D09 • CA DIR Number: 1000007254
www.parelectric.com

A QUANTA SERVICES COMPANY

1245 Labor and Equipment Rates (June 1, 2017 thru May 31, 2018)

Labor Rates	ST	PT
Gen. Foreman	\$ 138.34	\$ 231.45
Foreman	\$ 129.83	\$ 215.22
Lineman	\$ 121.41	\$ 199.18
Operator	\$ 104.56	\$ 166.89
Apprentice 1st	\$ 88.77	\$ 135.87
Apprentice 2nd	\$ 92.75	\$ 143.68
Apprentice 3rd	\$ 96.72	\$ 151.47
Apprentice 4th	\$ 100.70	\$ 159.29
Apprentice 5th	\$ 104.66	\$ 167.08
Apprentice 6th	\$ 108.64	\$ 174.90
Apprentice 7th	\$ 112.61	\$ 182.69
Groundman	\$ 89.63	\$ 137.55



A QUANTA SERVICES COMPANY

Equipment Rates			
Pickup	PU4	\$	14.00
Flatbed Truck	FB1	\$	22.00
Line Truck - Digger Derrick 47' AWD	DD3A	\$	38.00
Bucket Truck - 30'	BT-1A	\$	32.00
Bucket Truck - 55'	BT-2A	\$	38.00
Bucket Truck - 65'	BT-3A	\$	45.00
Boom Truck - 30 TON	TC-5	\$	59.00
Dump Truck - 10 Yard	DT-2	\$	26.00
Excavator (Cat 225 or Equivalent)	BH-5	\$	89.00
Backhoe - 580	BH-3	\$	27.00
Bobcat (Steer Skid Loader)	SSL2	\$	24.00
Mini-Excavator	BHME	\$	25.00
966 Loader	CAT1	\$	55.00
Flatbed Truck W/Reel Stand - 2.5 Ton	FB-3	\$	24.00
Pressure Digger Truck 24"-36"	PD2	\$	60.00
Pressure Digger Truck 48"-72"	PD1	\$	230.00
Puller - Single Drum (Distribution)	WS06	\$	18.00
Puller - 3 Drum Distribution	WS08	\$	20.00
Puller - 4 Drum Distribution (Trailer)	WS10	\$	40.00
Puller - 3 Drum Transmission (4X4)	WS08	\$	53.00
Tensioner, mounted on 4x4	WS04	\$	40.00
Tensioner - Single Drum	WS-05	\$	22.00
Trailer - 3 Reel Wire	WS-18	\$	18.00
Trailer - Backhoe	TLR08	\$	9.00
Trailer - Pole	TLR07	\$	6.00
Trailer - Utility	TLR10	\$	6.00
Air Compressor	AC-3	\$	11.00
Trencher, Vermeer Wheel	TR4	\$	28.00
Water Truck (not including water)	WT2	\$	33.00
Service Truck - Electricians	ST-1	\$	23.00
Service Truck - Mechanics	ST-2	\$	27.00

PAR Electrical Contractors, Inc.



Anderson Landfill

18703 Cambridge Rd., Anderson, CA 96007
Phone: (530) 347-5236 Website: www.wm.com

SCALEHOUSE Phone # (530) 347-5452 extension "0"		
Hours of Operation		
Open Monday through Friday: 7:00am to 3:30pm. Closed Saturday, Sunday, Holidays		
Method of Payment		
Cash, Master Card, Visa, Business or Company Checks (No Personal Checks)		
Additional Information		
There is a Minimum Charge of \$21.15 per Load/Transaction		
Items Not Accepted Include: Liquid or Hazardous Waste, Fluorescent Bulbs, Propane Tanks, Batteries, Chemicals		
Hazardous Materials - Contact Shasta County Resource Management (530) 225-5789		
*For Your Safety: Persons Exiting Your Vehicle to Dispose of Your Material Must Wear an Approved High-Visibility Safety Vest		
Pricing Effective March 1, 2018		
Prices are Subject to Change Without Notice		
All Loads must be tarped. Any loads that are not tarped will be charged		
High-Visibility Safety Vest Purchase		
Item	Price	Unit of Measure
Trash/Mixed Debris (MSW)	\$47.60	per ton
Construction and Demolition Debris (C & D)	\$56.15	per ton
Greenwaste (Clean - No Foreign Material)	\$39.70	per ton
Special Waste	\$56.15	per ton
Asbestos, Non-Friable	\$97.75	per ton
Treated Wood - pressure or chemically treated	\$97.75	per ton
Concrete (No Foreign Material or Rebar) No dimension greater than 6 inches	\$21.60	per ton
Concrete Between 6 inches and 2 feet in any dimension	\$47.60	per ton
Concrete greater than 2' x 2' in any dimension: subject to special pricing by WM		
Concrete (Willit Rebar) cannot exceed 21' x 2' ft in any dimension	\$47.60	per ton
Mobile Home - Single Wide	\$167.42	each
Mobile Home - Double Wide	\$193.84	each
Tree Slumps: Up to 24 inches in any dimension	\$48.93	each
Tree Slumps: Up to 24.01 to 50 inches in any dimension	\$86.27	each
Tree Slumps: More than 50 inches in any dimension	TBD	each
Furniture, Stuffed Chairs, Couch, Love Seat	\$17.74	each
Mattress or Box Spring	\$31.97	each
Tires on Rims are not accepted. Dimension is height of tire		
Tire - Passenger Car	\$17.74	each
Tires - Truck: Up to 33"	\$25.05	each
Tires - Large Truck 33.01" to 48"	\$66.12	each
Tires - Large Truck/Equipment 48.01" to 65"	\$93.84	each
Tires - Larger than 65": Pricing to be determined by WM	TBD	each
Appliances without Freon (Washers, Dryers, Heaters, etc.)	\$17.74	each
Appliances with Freon (Refrigerators, Freezers, Air Conditioners, etc.)	\$38.47	each
Immediate Burial Surcharge: In addition to item charge	\$175.39	per occurrence
[Call Scalehouse to schedule and for specific pricing 530-347-5452]		
Waste Management Fuel Surcharge, Environmental Fee, Regulatory Recovery Fee, Waste Water Management Fee will be applied to each load		
For Waste and Recycling Service at Your Home or Business please contact:		
Anderson Cottonwood Disposal (530) 221-4784		

GENERAL PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS
PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773 AND 1773.1

FOR COMMERCIAL BUILDING, HIGHWAY, HEAVY CONSTRUCTION AND DREDGING PROJECTS

CRAFT: TEAMSTER (SPECIAL SINGLE SHIFT RATE)
(APPLIES ONLY TO WORK ON THE CONSTRUCTION SITE)

DETERMINATION: NC-23-261-1-2017-2A

ISSUE DATE: August 22, 2017

EXPIRATION DATE OF DETERMINATION: June 30, 2018** The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director – Research Unit for specific rates at (415) 703-4774.

LOCALITY: All Localities within Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo, and Yuba Counties.

Classification ^a (Journey person)	Basic Hourly Rate	Employer Payments					Straight-Time		Overtime Hourly Rate		
		Health and Welfare	Pension	Vacation/ Holiday	Training	Other Payments	Hours	Total Hourly Rate	Daily 1 1/2X	Saturday ^b 1 1/2X	Sunday/ Holiday 2X
Group 1	\$32.72	\$17.32	\$6.40	\$2.30	\$0.90	^a \$0.63	8	\$60.27	\$76.63	\$76.63	\$92.99
Group 2	33.02	17.32	6.40	2.30	0.90	^a 0.63	8	60.57	77.08	77.08	93.59
Group 3	33.32	17.32	6.40	2.30	0.90	^a 0.63	8	60.87	77.53	77.53	94.19
Group 4	33.67	17.32	6.40	2.30	0.90	^a 0.63	8	61.22	78.055	78.055	94.89
Group 5	34.02	17.32	6.40	2.30	0.90	^a 0.63	8	61.57	78.58	78.58	95.59
Group 6	USE DUMP TRUCK YARDAGE RATE										
Group 7	USE APPROPRIATE RATE FOR THE POWER UNIT OR THE EQUIPMENT UTILIZED										
Group 8 (Trainee) ^c											

^d Step I – 1st 1000 Hours

^e Step II – 2nd 1000 Hours

^f Step III – 3rd 1000 Hours

^a Supplemental Dues and Contract Administration.

^b Saturday in the same work week may be worked at straight-time hourly rate if a job is shut down during the normal work week due to inclement weather or major mechanical breakdown, or lack of materials beyond the control of the Employer.

^c An individual employer may employ one (1) trainee for every four (4) journey level Teamsters actively employed. Individual employers with less than four (4) journey level Teamsters may utilize one (1) trainee; thereafter, one (1) for every four (4) journey level Teamsters.

^d Sixty-five percent (65%) of the Journey level wage for the type of equipment operated, plus full fringes without Vacation/Holiday.

^e Seventy-five percent (75%) of the Journey level wage for the type of equipment operated, plus full fringes without Vacation/Holiday.

^f Eighty-five percent (85%) of the Journey level wage for the type of equipment operated, plus full fringes without Vacation/Holiday.

^g For classifications within each group, see page 56.

RECOGNIZED HOLIDAYS: Holidays upon which the general prevailing hourly wage rate for Holiday work shall be paid, shall be all holidays in the collective bargaining agreement, applicable to the particular craft, classification, or type of worker employed on the project, which is on file with the Director of Industrial Relations. If the prevailing rate is not based on a collectively bargained rate, the holidays upon which the prevailing rate shall be paid shall be as provided in Section 6700 of the Government Code. You may obtain the holiday provisions for the current determinations on the Internet at <http://www.dir.ca.gov/OPRL/PreWageDetermination.htm>. Holiday provisions for current or superseded determinations may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

TRAVEL AND/OR SUBSISTENCE PAYMENT: In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. You may obtain the travel and/or subsistence provisions for the current determinations on the Internet at <http://www.dir.ca.gov/OPRL/PreWageDetermination.htm>. Travel and/or subsistence requirements for current or superseded determinations may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

GENERAL PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS
PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773 AND 1773.1
FOR COMMERCIAL BUILDING, HIGHWAY, HEAVY CONSTRUCTION AND DREDGING PROJECTS

CRAFT: ELECTRICAL UTILITY LINEMAN

DETERMINATION: C-61-X-3-2017-2

ISSUE DATE: August 22, 2017

EXPIRATION DATE OF DETERMINATION: December 31, 2017** The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director—Research Unit for specific rates at (415) 703-4774.

LOCALITY: All localities within the State of California, except Del Norte, Modoc, and Siskiyou Counties. (For Del Norte, Modoc and Siskiyou - see page 2I)

CLASSIFICATION (Journeyman)	Basic Hourly Rate	Employer Payments				Straight-Time		Overtime Hourly Rate		
		Health and Welfare	Pension	Training	Other Payments	Hours	Total Hourly Rate	Daily 2X	Saturday 2X	Sunday and Holiday
# Lineman, Cable Splicer	\$55.49	6.00	^a 8.68	^b 0.28	^c 0.63	8	72.74	130.79	130.79	130.79
## Powderman	49.55	6.00	^a 7.94	^b 0.25	^c 0.56	8	65.79	117.62	117.62	117.62
## Groundman	33.89	6.00	^a 7.90	^b 0.17	^c 0.38	8	49.36	84.80	84.80	84.80

DETERMINATION: C-61-X-4-2017-I

ISSUE DATE: February 22, 2017

EXPIRATION DATE OF DETERMINATION: May 31, 2017* Effective until superseded by a new determination issued by the Director of Industrial Relations. Contact the Office of the Director—Research Unit at (415) 703-4774 for new rates after 10 days from the expiration date, if no subsequent determination is issued.

LOCALITY: All localities within the State of California, except Del Norte, Imperial, Inyo, Kern, Kings, Los Angeles, Modoc, Mono, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Siskiyou, Tulare, and Ventura Counties. (For Del Norte, Modoc, and Siskiyou - see page 2I. For Imperial, Inyo, Kern, Kings, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Tulare, and Ventura Counties - see page 2A-1.

CLASSIFICATION (Journeyman)	Basic Hourly Rate	Employer Payments				Straight-Time		Overtime Hourly Rate		
		Health and Welfare	Pension	Vacation/ Holiday		Hours	Total Hourly Rate	Daily 1½X	Saturday 1½X	Sunday/ Holiday 1½X
## Pole Restoration Journeyman	\$29.38	5.50	^a 0.60	0.79		8	37.15	52.28	^c 52.28	52.28
After 1 year	29.38	5.50	^a 0.60	1.36		8	37.72	52.85	^c 52.85	52.85
After 3 years	29.38	5.50	^a 0.60	1.92		8	38.28	53.41	^c 53.41	53.41
After 6 years	29.38	5.50	^a 0.60	2.60		8	38.96	54.09	^c 54.09	54.09
## Senior Technician ^d	19.00	5.50	^a 0.60	0.51		8	26.18	35.97	^c 35.97	35.97
After 1 year	19.00	5.50	^a 0.60	0.88		8	26.55	36.34	^c 36.34	36.34
After 3 years	19.00	5.50	^a 0.60	1.24		8	26.91	36.70	^c 36.70	36.70
After 6 years	19.00	5.50	^a 0.60	1.68		8	27.35	37.14	^c 37.14	37.14
## Pole Treatment Journeyman	26.25	5.50	^a 0.60	0.71		8	33.85	47.37	^c 47.37	47.37
After 1 year	26.25	5.50	^a 0.60	1.21		8	34.35	47.87	^c 47.87	47.87
After 3 years	26.25	5.50	^a 0.60	1.72		8	34.86	48.38	^c 48.38	48.38
After 6 years	26.25	5.50	^a 0.60	2.32		8	35.46	48.98	^c 48.98	48.98
## Pole Restoration and Treatment ^d										
Technician (First 6 months)	14.71	5.50	^a 0.60	0.40		8	21.65	29.23	^c 29.23	29.23
Technician (After 6 months)	15.06	5.50	^a 0.60	0.41		8	22.02	29.78	^c 29.78	29.78

Indicates an apprenticeable craft. The current apprentice wage rates are available on the Internet at <http://www.dir.ca.gov/OPRL/PWAppWage/PWAppWageStart.asp>. To obtain any apprentice wage rates as of July 1, 2008 and prior to September 27, 2012, please contact the Division of Apprenticeship Standards or refer to the Division of Apprenticeship Standards' website at <http://www.dir.ca.gov/das/das.html>.

Indicates a non-apprenticeable craft.

^a In addition, an amount equal to 3% of the Basic Hourly Rate is added to the Total Hourly Rate and overtime hourly rates for the National Employees Benefit Board.

^b This amount is factored at the applicable overtime rate.

^c Saturdays may be scheduled as a make-up day at the regular straight time rate.

^d The Ratio of Technicians to Journeyman may not exceed 4 to 1. However, if the Journeyman is assisted by a maximum of two Senior Technicians, three additional Technicians may be added per Senior Technician.

^e Includes \$0.01 to LMCC; the remaining amount is factored at the applicable overtime rate.

RECOGNIZED HOLIDAYS: Holidays upon which the general prevailing hourly wage rate for Holiday work shall be paid, shall be all holidays in the collective bargaining agreement, applicable to the particular craft, classification, or type of worker employed on the project, which is on file with the Director of Industrial Relations. If the prevailing rate is not based on a collectively bargained rate, the holidays upon which the prevailing rate shall be paid shall be as provided in Section 6700 of the Government Code. You may obtain the holiday provisions for the current determinations on the Internet at <http://www.dir.ca.gov/oprl/DPreWageDetermination.htm>. Holiday provisions for current or superseded determinations may be obtained by contacting the Office of the Director—Research Unit at (415) 703-4774.

TRAVEL AND/OR SUBSISTENCE PAYMENT: In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. You may obtain the travel and/or subsistence provisions for the current determinations on the <http://www.dir.ca.gov/oprl/DPreWageDetermination.htm>. Travel and/or subsistence requirements for current or superseded determinations may be obtained by contacting the Office of the Director—Research Unit at (415) 703-4774.

SUMMARY PAGE OF LINE REMOVAL COSTS

	<u>Tons</u>	<u>Required/</u>	<u>Hrs.</u>	<u>Required</u>	<u>Cost</u>
Treated Wood Pole Disposal		\$97.76	128		\$12,513.28
Truck Driver		\$102.76	40		\$4,110.40
Truck Rate		\$90.00	40		\$3,600.00
					\$20,223.68
Subtotal Treated Wood Disp.					
TOTAL OF BOTH HWY and MINE PORTION and TREATED WOOD WASTE DISPOSAL					
TOTAL HWY and MINE:					
Plus Contingency 5%:					
					\$770,807.54
					\$38,540.38
					\$809,347.92
Plus Treated Wood:					
					\$20,223.68
GRAND TOTAL					
					\$829,571.60



www.smithpropertiesinc.net

E-mail: smithproperties@frontiernet.net

May 8, 2018

Mr. Pat Holley
Assistant General Manager
Lassen Municipal Utility District
65 S. Roop Street
Susanville, CA 96130

Dear Mr. Holley:

This letter is in response to your inquiry as to a rate for renting or leasing ground for a "lay-down" yard.

Probably the best route is to look at the rates the USFS and CALFIRE use for short term rental of private property for fire camps and other uses. In calls to each I received the same response; that it was subject to agreement. In the past, the usual rate has been \$100 to \$300 per day. This cost is dependent on what changes are made to the site, and the condition the site is left in.

I think these rates would be applicable for your purpose.

Please call me at (530) 251-6438 if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "David Schroeder", with a long horizontal line extending to the right.

David Schroeder
BRE# 01996114
(530) 251-*6438
120 N. Fairfield Avenue
Susanville, CA 96130
Dschröd57@hotmail.com

(530) 257-2441 • Fax (530) 257-2442 • P.O. Box 290 • 120 N. Fairfield St. • Susanville, CA 96130

(530) 596-3232 • Fax (530) 596-3234 • 313 Peninsula Dr., Lake Almanor, CA 96137

RECEIVED
NOV 06 2018

Lassen County Department of
Planning and Building Services

RESOLUTION NO. 2018-06

**A RESOLUTION OF THE LASSEN MUNICIPAL UTILITY DISTRICT
PROVIDING FINANCIAL ASSURANCE TO LASSEN COUNTY
AND THE DEPARTMENT OF CONSERVATION FOR THE DISTRICT'S
OBLIGATION TO REMOVE THE HAYDEN HILL TRANSMISSION LINE,
CALIFORNIA MINE ID #91-18-0012**

WHEREAS, the Lassen Municipal Utility District ("District") is a municipal utility district organized under California's Municipal Utility District Act (Public Utilities Code § 11501, et seq.) which provides retail electrical service to its customers, and wheels wholesale power for power producers, located within Lassen County, California;

WHEREAS, the District previously purchased a transmission line (the "Hayden Hill Line") located north of the District's service territory, on the Hayden Hill Gold Mine site, mine ID #91-18-0012;

WHEREAS, by virtue of this purchase, the District assumed financial responsibility for removal of the Hayden Hill Line;

WHEREAS, the District has completed a Financial Assurance Cost Estimate ("FACE") in the amount of \$916,798.49, which has been approved by Lassen County ("the County") and the Department of Conservation ("the Department");

WHEREAS, the District is now required to provide Financial Assurance to the County and the Department, as co-beneficiaries, by means of one of the approved Financial Assurance Mechanisms ("FAMs") available to it;

WHEREAS, the District has determined that a Budget Set Aside is the approved FAM best suited to the District's financial situation;

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby adopts a modification to the current fiscal year budget, adding a line item for "Financial Assurance for Removal of Hayden Hill Line" in the amount of \$916,798.49; and

Hereby directs that an equivalent sum will be placed into a Board-Restricted Reserve Account, to be renewed each fiscal year and adjusted annually, if necessary, to at minimum equal the current approved FACE; and


Hereby directs that a new FACE be prepared annually, in accordance with requirements of the Surface Mining and Reclamation Act (SMARA), to reflect current rates of labor, equipment, materials, etc.; and

Hereby authorizes the use of said Budget Set Aside funds by the County or the Department, should the District be found financially incapable of completing removal of the Hayden Hill Line in accordance with the approved reclamation plan or should it be found that the District has abandoned the Hayden Hill Line without completing reclamation (pursuant to California Public Resources Code § 2773.1); and


Hereby directs that this FAM shall remain in effect until the Hayden Hill Line is removed and reclaimed to the satisfaction of the County and the Department, per the approved reclamation plan, or until it is replaced with an adequate FAM, or until the Hayden Hill Line removal requirement is eliminated by approved amendment of the Hayden Hill Gold Mine reclamation plan and Lassen County General Plan, and shall not be released without the written consent and authorized signatures of both the County and the Department.

The foregoing Resolution was duly and regularly passed and adopted by the Board of Directors of the Lassen Municipal Utility District at a regular meeting of said Board duly noticed and held on the 30 day of October, 2018, as follows:


AYES:	<u>4</u>
NOES:	<u>1</u>
ABSENT:	<u>0</u>
ABSTENTIONS:	<u>0</u>


Fred Nagel, President of the
Board of Directors of the Lassen
Municipal Utility District

ATTEST


Karen Rollings, Board Secretary
Lassen Municipal Utility District

APPROVED AS TO FORM AND PROCEDURE


Eugene Chittock, General Counsel

OCT 30 2019

RESOLUTION NO. 2019-07

LASSEN COUNTY DEPARTMENT OF
PLANNING AND BUILDING SERVICES**A RESOLUTION OF THE LASSEN MUNICIPAL UTILITY DISTRICT
PROVIDING FINANCIAL ASSURANCE TO LASSEN COUNTY
FOR THE DISTRICT'S OBLIGATION TO REMOVE
THE HAYDEN HILL TRANSMISSION LINE**

WHEREAS, the Lassen Municipal Utility District ("District") is a municipal utility district organized under California's Municipal Utility District Act (Public Utilities Code § 11501, et seq.) which provides retail electrical service to its customers, and wheels wholesale power for power producers, located within Lassen County, California;

WHEREAS, the District previously purchased a transmission line located north of the District's service territory (the "Hayden Hill Line");

WHEREAS, by virtue of this purchase, the District assumed financial responsibility for removal of the Hayden Hill Line, should Lassen County (the "County") ultimately decide the line must be removed;

WHEREAS, the District has completed a Financial Assurance Cost Estimate ("FACE") in the amount of \$916,798.49, which has been approved by the County;

WHEREAS, the District passed Resolution 2018-04 to amend its 2019 Fiscal Year Budget to include a line item for "Financial Assurance for Removal of Hayden Hill Line" and created a Board Restricted Reserve Account for the amount of the FACE;

WHEREAS, the District is required to renew this Budget Set-Aside for subsequent Fiscal Year Budgets until no longer required by the County;

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby adopts a modification to the current fiscal year budget, adding a line item for "Financial Assurance for Removal of Hayden Hill Line" in the amount of \$916,798.49.

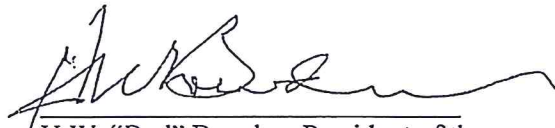
The foregoing Resolution was duly and regularly passed and adopted by the Board of Directors of the Lassen Municipal Utility District at a regular meeting of said Board duly noticed and held on the 29 day of October, 2019, as follows:

AYES: 4
NOES: 0
ABSENT: 1
ABSTENTIONS: 0

///

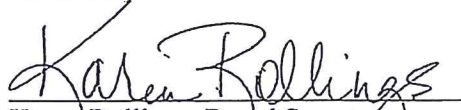
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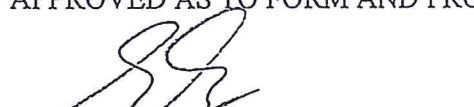


H.W. "Bud" Bowden, President of the
Board of Directors of the Lassen
Municipal Utility District

ATTEST:


Karen Rollings, Board Secretary
Lassen Municipal Utility District

APPROVED AS TO FORM AND PROCEDURE


Eugene Chittock, General Counsel