

**AGREEMENT DESIGNATING
CALIFORNIA STATE WATER RESOURCES CONTROL BOARD AS LEAD AGENCY
FOR LASSEN LODGE HYDROELECTRIC PROJECT,
FEDERAL ENERGY REGULATORY COMMISSION PROJECT NO. 12496,
SOUTH FORK BATTLE CREEK, TEHAMA COUNTY**

This agreement is made between the County of Tehama (County) and the California State Water Resources Control Board (State Water Board) (together, parties) under California Code of Regulations, title 14, section 15051, subdivision (d) designating the State Water Board as lead agency under the California Environmental Quality Act (CEQA) for the Lassen Lodge Hydroelectric Project (Project).

WHEREAS, Rugraw, LLC (applicant) has submitted a final license application to the Federal Energy Regulatory Commission (FERC) for the Project and applications to the County for a Use Permit and Encroachment Permit for the Project; and

WHEREAS, the applicant has requested the County be the lead agency for the Project under section 15051, subdivision (b) of the CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.) which states, in part, "If the project is to be carried out by a nongovernmental person or entity, the lead agency shall be the public agency with the greatest responsibility for supervising or approving the project as a whole," and

WHEREAS, in a letter dated January 11, 2013, the State Water Board notified the County that the State Water Board believes it is the appropriate lead agency for the Project under CEQA due to its Section 401 Clean Water Act (CWA) (33 U.S.C. §1341) authority. Section 401 of the CWA requires every applicant for federal license or permit which may result in a discharge into navigable waters to provide the licensing or permitting federal agency with certification that the project will be in compliance with the CWA, including water quality standards and implementation plans promulgated pursuant to Section 303 of the CWA (33 U.S.C. §1313); and

WHEREAS, Section 401 of the CWA directs the agency responsible for certification to prescribe effluent limitations and other limitations necessary to ensure compliance with the CWA and with any other appropriate requirement of state law; and

WHEREAS, Section 401 of the CWA further provides that certification conditions shall become conditions of any federal license or permit for the Project; and

WHEREAS, the State Water Board is the state agency responsible for the water quality certification in California (Wat. Code, § 13160) and the Project requires such certification; and

WHEREAS, the State Water Board's water quality certification authority covers the entire Project, including the construction and ongoing operations and maintenance of the Project over the term of the FERC license; and

WHEREAS, both parties are public agencies that will each carry out or approve portions of the Project, and both may have a substantial claim to act as lead agency under CEQA.

NOW THEREFORE, the parties agree that the State Water Board will act as the CEQA lead agency for the environmental review of the Project and will have all discretion to fulfill the obligations of a CEQA lead agency with respect to the Project.

NOW THEREFORE, the parties agree to engage in cooperative efforts and consultation to effectively coordinate Project compliance with local, state, and federal laws.

NOW THEREFORE, the parties agree to provide notice by first class mail of all Project related CEQA proceedings to the following addresses:

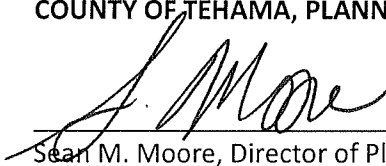
If to County:
SEAN MOORE
Tehama County Planning Director
Planning Department
444 Oak Street
Red Bluff, CA 96080

If to State Water Board:
MICHELLE LOBO
Environmental Scientist/Project Manager
California State Water Resources Control Board
Division of Water Rights
Water Quality Certification Program
P.O. Box 2000
Sacramento, CA 95812-2000

IN WITNESS WHEREOF, the County and State Water Board have executed this agreement on the day and year set forth below.

COUNTY OF TEHAMA, PLANNING DEPARTMENT

Date: 5/12/14

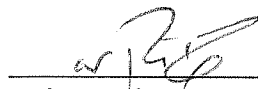

Sean M. Moore, Director of Planning

STATE WATER RESOURCES CONTROL BOARD
DIVISION OF WATER RIGHTS

Date: MAY 06 2014


Erin Ragazzi,
Water Quality Certification Program Manager

Approved as to form by
Tehama County Counsel


Arthur Wylene

MINUTE ORDER
BOARD OF SUPERVISORS
COUNTY OF TEHAMA, STATE OF CALIFORNIA

R E G U L A R A G E N D A

28. PLANNING DEPARTMENT - Approval and Authorization for the Planning Director to Sign the Agreement With State Water Resources Control Board
- a) AGREEMENT - Approval and Authorization for Planning Director Sean Moore to sign the agreement with State Water Resources Control Board for California Environmental Quality Act (CEQA) Lead Agency determination for Lassen Lodge Hydroelectric Project, Federal Energy Regulatory Commission Project No. 12496, South Fork Battle Creek, Tehama County.
(Miscellaneous Agreement #2014-116)

Vice-Chairman Bundy said that the County did hold a license on this particular project years ago and therefore has an interest in its outcome. He asked staff to take a hard look at the project.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dennis Garton, Supervisor - District 3
SECONDER:	Bob Williams, Supervisor - District 4
AYES:	Garton, Williams, Bundy, Bruce
ABSENT:	Chamblin

STATE OF CALIFORNIA)
) ss
COUNTY OF TEHAMA)

I, BEVERLY ROSS, County Clerk and ex-officio Clerk of the Board of Supervisors of the County of Tehama, State of California, hereby certify the above and foregoing to be a full, true and correct copy of an order adopted by said Board of Supervisors on the 10th day of June, 2014.

DATED: July 2, 2014

BEVERLY ROSS, County Clerk and
Ex-officio Clerk of the Board of Supervisors
of the County of Tehama, State of California
by Mackenzi Parkinson Deputy