



# Anderson Springs

## Community Alliance

April 21, 2003

*Preserving our natural resources & quality of life*

Honorable Ed Robey, Supervisor  
County of Lake, District 1  
Board of Supervisors  
255 North Forbes Street  
Lakeport, CA 95453

### Application for Funding and Other Assistance Regarding A Baseline Assessment & Monitoring Program

Dear Ed,

By our submission of this letter to you, the Supervisor for our district, this letter represents formal application to the Board of Supervisors for funding and other assistance related to a Baseline Assessment & Monitoring Program for research, monitoring, and mitigation of a variety of negative impacts from geothermal operations that surround our community in Anderson Springs, particularly due to Lake County's ongoing injection of wastewater.

Based upon numerous conversations with residents of Anderson Springs, their regular participation and testimony at public hearings and before the County's Seismic Monitoring Advisory Committee, the many letters & extensive documentation the County has received, and continued coverage by the Press, we hope the Board of Supervisors now understands the growing seriousness of our community's long-standing troubles with geothermal industrialization above our homes and in our watershed.

Because Lake County has made and continues to make substantial, long-term investments in ongoing operation of the Southeast Geysers Effluent Pipeline— not to mention Santa Rosa's Geysers Recharge Project that will start injection by the end of 2003— we feel it is reasonable to request that the County provide financial and other support for an urgently needed Baseline Assessment & Monitoring Program, defined and implemented in partnership with the Anderson Springs Community Alliance, which represents our community as a whole.

The Anderson Springs Community Alliance was founded in 2002 as a California public benefit corporation to engage exclusively in charitable activities under the following charter: To preserve, protect, and restore environmental quality in the area surrounding Anderson Springs, protecting natural resources and public safety for the benefit of the general public and local residents. We were formed with a broad mandate to represent the entire community and environment (unlike pre-existing organizations that have different, more limited responsibilities), and we operate as a registered & approved Section 501(c)(3) tax-exempt nonprofit (Federal EIN # 06-1661314).

We were established specifically to engage in research, education, advocacy, and mitigation activities— scientific, legal, financial, and otherwise— concerning various means of understanding, improving and resolving disputes relative to environmental issues in the area of Anderson Springs. Furthermore, we have the responsibility to institute litigation as a party plaintiff to enforce California and Federal environmental legislation and pursue other remedies necessary to protect, preserve, and restore environmental quality.

Page 1 of 5



Due to the urgency of establishing a baseline and monitoring the current situation affecting Anderson Springs in the 6 months BEFORE Santa Rosa's project more than doubles injection volumes at The Geysers, we ask for the County's commitment to work with our organization immediately to define, launch, and fund a comprehensive Baseline Assessment & Monitoring Program sometime later this year, starting with an initial allocation of \$6,830 to support these efforts (available from remaining monies in the current fiscal year's water resources fund of AB-1905). We also seek recommendations from the County for appropriate individuals and departments with sufficient knowledge, authority, and independence to partner with our organization on this program.

Although our organization has been actively soliciting proposals from qualified experts, detailed cost estimates will depend on further definition of our program's goals & objectives with the County. For planning purposes and Lake County's upcoming budget cycle, we expect the total cost for this comprehensive Baseline Assessment & Monitoring Program to be about \$600,000 (although it could be higher— particularly if we delay in starting). While Lake County ultimately may be responsible for funding this entire amount, we recommend that the Board of Supervisors reserve a minimum of \$300,000 of AB-1905 monies in the next fiscal year's budget since we hope other sources of funds can be found (less \$6,830 [i.e., \$293,170], presuming that amount can be allocated from the current fiscal year's budget).

With the County's financial backing and assistance as described above, we plan to partner with Lake County in securing the remaining balance of \$300,000 via match funds by applying to other entities that have funded Lake County's and Santa Rosa's wastewater injection projects at The Geysers, including the City of Santa Rosa, the California Energy Commission, the California Department of Water Resources, the US Department of Energy, the US Environmental Protection Agency, and the US Department of the Interior, Bureau of Land Management.

Anderson Springs represents a unique test case for what's likely to happen in the entire Cobb Mountain area, and proper study and assessment of our area will not only lead to improvements for our community, but also better inform the County and geothermal industry so they can minimize similar problems in the vicinity of the community of Cobb.

The County's formal acknowledgement of our problems, its pledge of support for this comprehensive Baseline Assessment & Monitoring Program, and allocation of a small amount of immediate funds will collectively demonstrate the County's resolve to protect its constituents and obtain independent, objective information for better understanding geothermal phenomena impacting Anderson Springs.

We strongly believe that the Board of Supervisors' endorsement of this comprehensive Baseline Assessment & Monitoring Program, along with the County's providing requisite funding, are what is best for Lake County, both in terms of the well-being for all communities near geothermal operations and the County's long-term financial health. Without this level of support from the County and in the absence of a Baseline Assessment & Monitoring Program, we have grave concerns about Lake County's ability to protect itself from bearing sole responsibility for past, present, and future activities at The Geysers that may one day result in its own communities suing the County for negligence and damages caused by the City of Santa Rosa, the geothermal operators, or even the County's own projects. With population in the immediate vicinity of Anderson Springs and Cobb currently exceeding 3,000 people (and another 1,000+ people in Middletown who also feel these geothermal quakes), Lake County currently faces substantial exposure & liability for possible loss of life, health problems/injuries, environmental degradation, and property damage— including the eventuality of seismic retrofitting or inverse condemnation for many properties in the Anderson Springs and/or Cobb areas, costing the County hundreds of millions of dollars.

In order to move forward with the County for this comprehensive Baseline Assessment & Monitoring Program, we have 5 primary requests of the Board of Supervisors:

1. To formally acknowledge the problems currently impacting Anderson Springs, and recognize the urgency and importance of establishing a baseline with ongoing monitoring of this situation, not only for our own community but also for the benefit of Cobb and Lake County as a whole.
2. To endorse the idea of conducting this independent Baseline Assessment & Monitoring Program in partnership with the Anderson Springs Community Alliance, starting sometime later this year.
3. To provide specific recommendations about possible County individuals and departments possessing sufficient knowledge, authority, and independence to partner with our organization on this program.
4. To approve the immediate allocation to this program of the \$6,830 remaining in the current fiscal year's AB-1905 monies, so our organization can start immediately with the County and qualified experts to define, launch, and fund certain critical research and monitoring activities that will be part of the comprehensive Baseline Assessment & Monitoring Program— and which need to be in place well before Santa Rosa's injection begins later this year.
5. To pledge your willingness to support this comprehensive Baseline Assessment & Monitoring Program, including appropriation of a minimum of \$293,170 in additional AB-1905 funds during the next fiscal year, to ensure proper study and oversight of the situation in Anderson Springs and facilitate our mutual ability to secure match funds for this program.

Ed, despite the budget crises now facing California and Lake County, we know sufficient funds are readily available in the County's current and future budgets due to significant monies received each year as a result of California Assembly Bill 1905 (sponsored by Doug Bosco and passed in 1979). This forward-thinking bill established the Geothermal Resources Development Account within California's General Fund as a mechanism for returning monies from Federal geothermal leaseholds back to both the State of California and Counties on behalf of communities directly impacted by geothermal development (Lake County currently receives more of these funds than any other County in California, due to the scope of its geothermal operations).

In support of this application's goals and requests, we have provided a brief summary below of the legal requirements for using AB-1905 revenues:

According to California's Public Resources Code (Chapter 6. Disposition of Geothermal Revenues), one of the primary objectives for this fund's existence is the "mitigation of the adverse social, economic, and environmental impacts caused by geothermal development" (§3800. Purpose). These statutes then describe 11 specific, limited purposes for which these revenues may be expended (§3823. Expenditures; Purposes), 7 of which are listed verbatim below and relate directly to our proposed comprehensive Baseline Assessment & Monitoring Program (or will be required as a result of this program):

1. "Collecting baseline data and conducting environmental monitoring."
2. "Identifying, researching, and implementing feasible measures that will mitigate the adverse impacts of that development or production."
3. "Identification of feasible measures that will mitigate the adverse impacts of the development of geothermal resources and the adoption of ordinances, regulations, and guidelines to implement those measures."

4. "Monitoring and inspecting geothermal facilities and related activities to assure compliance with applicable laws, regulations, and ordinances."
5. "Preparation or revision of geothermal resource elements, or geothermal components of energy elements, for inclusion in the local general plan, zoning and other ordinances, and related planning and environmental documents."
6. "Local and regional planning and policy development and implementation necessary for compliance with programs required by local, state, and federal laws and regulations."
7. "Undertaking projects for the enhancement, restoration, or preservation of natural resources, including but not limited to, water development, water quality improvement, fisheries enhancement, and park and recreation facilities and areas."

These statutes are explicit that Counties "may expend such revenues only for the purposes specified in this chapter [Chapter 6]" (§3821. Disbursement), and "any of the revenues that are not disbursed as grants or loans pursuant to this section during the fiscal year received shall be retained in the subaccount and may be disbursed as grants or loans pursuant to this section in succeeding fiscal years" (§3822. Grants or loans to local jurisdictions; Eligibility; Requirements).

Furthermore, these statutes are clear that "Revenues disbursed to counties of origin pursuant to §3821 may be expended for purposes unrelated to geothermal development only in counties where there is no new geothermal development and substantial planning, maintenance, and environmental mitigation of geothermal development have been achieved" (§3824.5. Expenditures for purposes unrelated to geothermal development).

Because the language of these statutes is precise and unequivocal, the Board of Supervisors has a legal and fiduciary responsibility to ensure full compliance with these specific requirements for how these funds are used, including retaining monies not disbursed for purposes relating to geothermal development since it is irrefutable that new geothermal development continues to occur in Lake County and sufficient mitigation of environmental impacts from geothermal development has not been achieved.

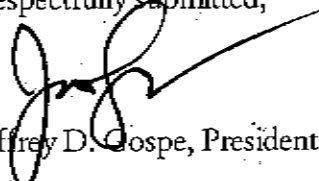
With the exception of a greatly appreciated loan for \$34,600 of AB-1905 monies in the current fiscal year to our Community Services District in partnership with Lake County's Special Districts department (for a sewer feasibility study, which must be paid back in the event our community moves forward with a much needed sewer system), the last time Anderson Springs received ANY grant funding from AB-1905 occurred over 20 years ago (in 1981-1982 when we received \$152,000— about 12% of a \$1.2 million project— to build a new water system for our community, replacing the one that had been contaminated on numerous occasions by geothermal development accidents)— despite our being the primary community in Lake County to suffer adverse impacts of geothermal development for more than 25 years.

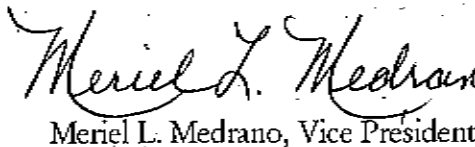
In light of the urgent, serious, and legitimate needs of our community— relative to the purpose and statutory constraints of using AB-1905 monies, the magnitude of AB-1905 revenues received by Lake County for more than two decades, and the recent volume of appropriated but unexpended AB-1905 funds in County account "BU 1018 - Geothermal Impact Mitigation" (i.e., \$2,495,194, consisting of the current year's revenues, plus interest and unexpended fund balance carry-overs)— we believe this funding request for a minimum of \$300,000 is reasonable, equitable, and justified.

Finally, we want to remind the Board of Supervisors of its responsibilities concerning development of the County's geothermal resources, both according to explicit policies of Lake County's General Plan and under California law: "To protect Lake County's natural environment and public health and safety through the management and mitigation of environmental impacts associated with geothermal development" (County of Lake, Comprehensive General Plan); and, "that wells for the discovery and production of geothermal resources be drilled, operated, maintained and abandoned in such a manner as to safeguard life, health, property, and the public welfare" (Public Resources Code, Chapter 4, §3700. Purpose).

Because we have a narrow window before Santa Rosa's injection begins and time is of the essence, we request that as soon as you have had the opportunity to review our application, you contact us to arrange a time for further discussion with members of our organization and the Board of Supervisors. In addition to the contact information listed on our letterhead, you can reach us by calling Jeff Gospe at 569-5616, Meriel Medrano at 987-0277, or Joan Clay at 987-0243.

Respectfully submitted,

  
Jeffrey D. Gospe, President

  
Meriel L. Medrano, Vice President

  
Joan K. Clay, Community Liaison

Cc: Gary Lewis, Chairman, Board of Supervisors and Supervisor, County of Lake, District 3  
Jeff Smith, Supervisor, County of Lake, District 2  
Anthony Farrington, Supervisor, County of Lake, District 4  
Rob Brown, Supervisor, County of Lake, District 5  
Cameron Reeves, County Counsel, County of Lake  
Kelly F. Cox, Administrative Officer, County of Lake  
David Henderson, Chairman, Anderson Springs Community Services District  
Robert Marelli, President, Anderson Springs Homeowners Association  
Hamilton Hess, Vice-Chair, Friends of Cobb Mountain  
Meriel Medrano, Vice President, Anderson Springs Community Alliance  
Joan Clay, Community Liaison, Anderson Springs Community Alliance