



SOUTH FEATHER WATER & POWER

TO: Board of Directors

FROM: Kathy Petersen, Power Division Manager

DATE: October 19, 2005

RE: Acceptance of Easement from CHY Company
October 25, 2005 Board of Directors Meeting

One of the consequences of the Woodleaf slide was the loss of the lower two poles supporting the 2.4 kV power line and communication line that are constructed along the penstock to the valve chamber, and that provide power and controls to the Forbestown Ditch. We maintained a portable generator at the site for several months in order to provide the necessary power. After discussing with PG&E potential long-term solutions to provide power to the top of the penstock, we finally convinced their engineers that a “shoo-fly” pole line that crosses the slope above the slide area was probably the simplest solution (see photo for reference). The alignment of the line takes it across property owned by CHY Company, so an easement for the poles and wire is needed.



CHY granted PG&E approval to construct the line ahead of your approval of the easement so that the work could be completed before Neil's Controlled Blasting starts mobilizing on October 24. The new line was completed October 13, and we have removed the portable generator from the top of the penstock.

Legal counsel Jeff Meith has reviewed and approved the easement language.

The recommended form of action is:

“I move approval of Resolution 05-10-3 accepting the easement grant deed executed by

CHY Company in favor of South Feather Water and Power Agency across a portion of Butte County Parcel No. 073-200-005 in Section 33, Township 20 North, Range 7 East.”

RESOLUTION 05-10-3
South Feather Water and Power Agency

Acceptance of Easement for Power Line

WHEREAS, Pacific Gas and Electric Company has negotiated the terms of an easement for a right of way for a power line and underbuilt communication line to benefit South Feather Water and Power Agency across land owned by CHY Company, specifically Butte County parcel number 073-200-005; and

WHEREAS, CHY Company desires assurance that South Feather Water and Power Agency will assume responsibility for operation and maintenance of said power line, communication line and vegetation within the right of way; and

WHEREAS, South Feather Water and Power Agency confirms that it will exercise reasonable care to maintain said power line, communications line and vegetation in the right of way in compliance with State of California rules and regulations; and

WHEREAS, it is the desire of the Board of Directors of the South Feather Water and Power Agency to accept the attached easement grant deed executed by CHY Company in the favor of South Feather Water and Power Agency;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Feather Water and Power Agency that Michael C. Glaze, Secretary of said Board of Directors, be and is hereby authorized to accept on behalf of South Feather Water and Power Agency said Easement.

Passed and adopted this 25th day of October, 2005 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Marla Dee Hunter, President

(seal)
ATTEST:

Michael C. Glaze, Secretary

RECORDING REQUESTED BY AND
RETURN TO:

**SOUTH FEATHER WATER & POWER
AGENCY**

*P. O. Box 581
Oroville, California 95965*

Location: City/Uninc _____

Recording Fee _____

Document Transfer Tax \$ _____

This is a conveyance where the consideration and
value is less than \$100.00

Computed on Full Value of Property Conveyed, or

Computed on Full Value Less Liens & Encumbrances
Remaining at Time of Sale.

Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

EASEMENT

THE CHY COMPANY, a California general partnership,

hereinafter called "first party", as an accommodation to SOUTH FEATHER WATER and POWER AGENCY, a public agency formed pursuant to Water Code Section 20500 et seq., hereinafter called "second party", to satisfy second party's obligation under its federal license (P-2088-CA) for the South Feather Power Project in addition to satisfy second party's obligation under its Power Purchase Agreement with Pacific Gas and Electric Company, hereby grants to second party the non-exclusive right from time to time to construct, reconstruct, install, inspect, maintain, replace, remove, and use facilities of the type hereinafter specified, for the purpose of providing electric energy and second party's communication purposes, together with a right of way therefor, within a strip of land as hereinafter set forth, and also ingress thereto and egress therefrom, over and across the lands of the first party, situate in the County of Butte, State of California, described as follows:

(APN: 073-200-005)

The northwest quarter of Section 33, Township 20 North, Range 7 East, M.D.B.&M.; excepting therefrom the property described in Exhibit A in the deed from The Chy Company to South Feather Water and Power Agency dated June 30, 2003 and recorded as Recorder's Serial Number 2003-0049153, Butte County Records.

Said facilities shall consist of:

Such poles, aerial wires, cables, electrical

conductors with associated crossarms, braces, transformers, anchors, guy wires and cables, fixtures, and appurtenances as second party deems reasonably necessary for the distribution of electric energy and second party's communication purposes located within a strip of land of the uniform width of 30 feet, lying 15 feet on each side of the alignment of the facilities as initially installed hereunder at the location mutually agreed upon by the parties hereto. The approximate centerline of said strip of land is delineated by the heavy dashed line shown upon second party's Drawing Number A-20-7-33 attached hereto and made a part hereof.

First party shall not erect or construct any building or other structure or drill or operate any well upon said strip of land. First party expressly reserves the right to utilize said strip of land for all such uses which do not unreasonably interfere with the rights herein granted.

Second party shall have the right and obligation from time to time to trim and to cut down and clear away or otherwise reasonably control any and all trees and brush now or hereafter on said strip of land and shall have the further right and obligation from time to time to trim and to cut down and clear away or otherwise reasonably control any and all trees and brush now or hereafter on either side of said strip of land which now or hereafter in the reasonable opinion of second party may be a hazard to the facilities installed hereunder by reason of the danger of coming in contact therewith, provided, however, that all trees which second party is hereby authorized to cut and remove, if valuable for timber or wood, shall continue to be the property of first party, but all branches, tops, lops, brush and debris in any way associated therewith shall be burned or removed by second party.

Second party, at its sole expense, shall exercise all rights granted and perform all work permitted or required under this easement in compliance with all federal, state and local laws, regulations and requirements, now or hereafter enacted, applicable thereto.

Second party shall indemnify first party against any loss or damage which shall be caused by the exercise of the rights hereby granted resulting from any negligence, wrongful act or omission of second party or of its agents or employees in the course of their employment.

In the event any of the facilities installed hereunder interfere with future operations of first party on said lands second party shall, within 90 days after receiving written notice from first party so to do, at second party's own cost and

expense, relocate in a location mutually agreed upon on the aforementioned lands of first party such of said facilities so interfering; provided, however, that first party grants, and second party quitclaims, all rights necessary to effect said relocation. Second party shall only be required to make one relocation of its facilities under this provision. A relocation of all or any part of said facilities pursuant to said notice shall constitute a full satisfaction by second party of its obligations under this provision.

In the event that legal action is instituted to enforce the terms, conditions, rights and/or obligations under this easement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and cost in addition to any other relief the prevailing party may be entitled to recover.

The legal description herein, or the map attached hereto, defining the location of this utility distribution easement, was prepared by Pacific Gas and Electric Company pursuant to Section 8730(c) of the Business and Professions Code.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

Dated _____, 2005

The CHY Company

Hardie C. Setzer, Partner

G. Cal Setzer, Partner