



CITY OF OROVILLE

OFFICE OF THE CITY ADMINISTRATOR SUPPLEMENTAL BENEFITS FUND (SBF)

**1735 Montgomery Street
Oroville, California 95965-4897**

REQUEST FOR PROPOSAL (RFP) FORMAL PROPOSAL GUIDELINES AUGUST 2008

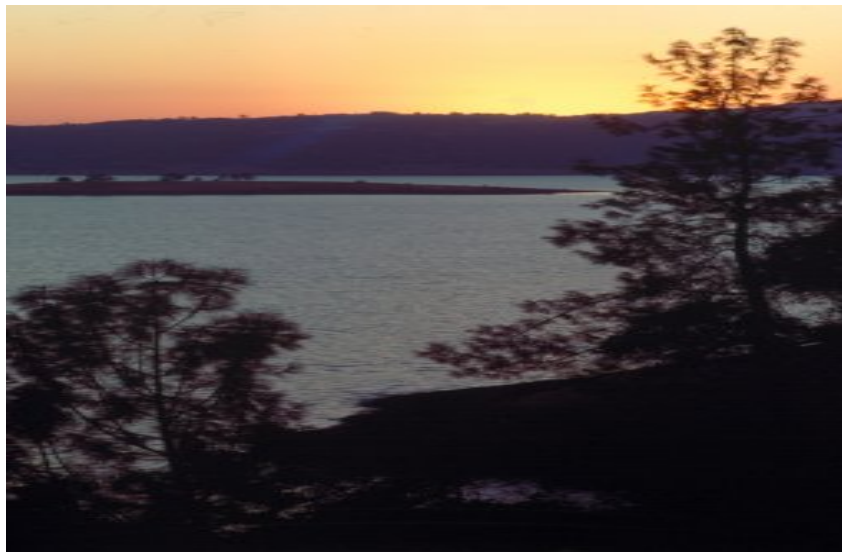


Oroville's most prized natural resource, the Feather River

SUPPLEMENTAL BENEFITS FUND (SBF) REGIONAL FUND STRATEGIC PLAN (RFSP) "Planning for Tomorrow, Today"

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Sunset at beautiful Lake Oroville

I. INTRODUCTION/BACKGROUND

The Oroville Dam, Oroville Facilities No. 2100, operated under a license issued by the Federal Energy Regulatory Commission, (FERC) on February 11, 1957, for a term of 50 years, and expired on January 31, 2007. An application for a New Project License was filed with FERC by the Department of Water Resources (DWR) on January 26, 2005. It is anticipated that the new license will be issued to DWR in early 2009.

After consulting with State and federal agencies, Native American Tribes, local governments, local agencies, and the general public, the Licensee requested and received approval from FERC to use an Alternative Licensing Process (ALP) for the relicensing of the Project. The ALP was intended to expedite the licensing process by combining the pre-filing consultation for the federal and state environmental review process. This single process was to improve and facilitate communications among stakeholders. A collaborative group was formed which conducted numerous meetings, reviewed existing data, commissioned and reviewed additional studies, conducted settlement negotiations, prepared and relied on a record of its actions.

The Relicensing of the Oroville Dam is a significant event in the evolution of Oroville. The Relicensing Settlement Agreement was signed on March 21, 2006 with the Department of Water Resources (DWR) hosting a signing ceremony for the Oroville Relicensing Settlement Agreement. The event marked the culmination of a six-year collaborative process between DWR and more than 40 stakeholders groups representing hundreds of interests, to benefit environmental, recreational, cultural, land use and operations resources. During the five years of negotiating, the stakeholders submitted over 550 proposals for consideration. **The main focus for the Community from those negotiations was recreation and economic development.**

The end result of the negotiations and presentation of proposals is that the Department of Water Resources (DWR) and State Water Contractors (SWC) have proposed to endow Oroville and the surrounding Communities through the SBF a total of \$61,270,000 of which \$270,000 is intended for a White Water Feasibility Study. The SBF was created as a result of the negotiations with DWR by the stakeholders collaborative with the intention of providing the community with economic and recreational based projects to help stimulate the local community. The SBF will provide many opportunities for approved projects including those that ultimately may be revenue-generating. The revenue generated from these projects will come in the form of economic stimulus with increases in private development; such as improved hotel occupancy, restaurants, and an overall increase in visitors. This will add to the local tax base, as well as contributing to a revenue increase for the service providers. The SBF also provides local funding with local control for projects that will enhance the community in a fair and consistent basis.

II. REGIONAL FUND STRATEGIC PLAN

The Regional Fund Strategic Plan (RFSP) will guide the Supplemental Benefits Fund (SBF) Steering Committee in selecting and funding proposed community based projects in a manner that optimizes the overall benefits to the local region consistent with the availability of funds. The intent of the RFSP is to get the most economic investment return from the approved projects as well as insuring that decorum of fairness exists in project selection. The RFSP shall identify opportunities, goals, and objectives that are achievable and provide a road map that clearly communicates the expected direction. The final outcome of the RFSP will help ensure that the SBF serves as an efficient steward of public investment while maintaining high standards that meet the communities' needs, and compliments the various communities General and Master Plans. In addition, the State Water Contractors and the Fund Steering Committee will adopt a partnership approach to soliciting additional grant funds. Key components of the RFSP should focus on:

- ✓ Identification of purpose...the mission statement.
- ✓ Identification of goals to accomplish the mission.
- ✓ Identification of specific approaches or strategies that must be implemented to reach each goal.
- ✓ Identification of specific action plans to implement each strategy.
- ✓ Monitoring and updating parameters.

III. FUND ADMINISTRATOR AND SBF STEERING COMMITTEE

The City of Oroville (City) was designated as and assumes the duties of Fund Administrator. References to City in this RFP refer to those duties as Fund Administrator (Complete details in Appendix B).

The Steering Committee is comprised of five (5) voting members, three of which are City of Oroville Council Members, and two of which are Feather River Recreation and Park District Board Members. The members of the Steering Committee are selected by the appropriate governing body at the beginning of each calendar year and serve one year terms. There are also four (4) non-voting/advisory members representing DWR, SWC, American Rivers, and the Oroville Area Chamber of Commerce.

The Steering Committee is the sole decision-maker, through majority vote of its members, for purposes of adopting the RFSP, selecting proposed project eligible for funding, and determining the level of funding appropriate for such projects. If the majority vote on any given measure or action results solely from the votes of a single agency, a majority plus one vote is required for approval of the measure or action.

IV. REQUEST FOR PROPOSAL

The intent of this Request for Proposal (RFP) is for the City acting as Fund Administrator for the SBF, and the SBF Steering Committee, to select a capable and qualified consultant/firm/corporation ("Consultant") with experience in preparing Regional Fund Strategic Plans that can be used by the Community and the Fund Administrator as a guide to steer the SBF Steering Committee into funding projects. The selection of a Consultant will be based on the submittal requirements and selection criteria set forth in this RFP; specifically the qualifications, related project experience, and demonstrated understanding of working with public entities in developing the RFSP.

V. EVALUATION OF PROPOSED PROJECTS

SBF Grant funds shall be awarded to public agencies and non-profit organizations. Requests will be required to show how the project proposal enhances community recreation, economic development, and related environmental issues. A specific criterion has been established through staff research, public input, and approval of the SBF Steering Committee.

A. SBF Project Selection Criteria

Project consideration consists of many factors which may include a documented source of matching funds or other cost-sharing mechanisms. Overall project value to the community and the intent of the SBF will be a strong determining selection factor. Consideration for projects with an ability to return a portion of generated revenue to the Fund will be made. If matching funds will be made available, the project proponent must provide documentation of such firm commitment before allocations of the Fund are made.

A consistency with existing environmental and recreational projects and local land use plans is required.

Ability of the proposal to adequately define a project description, with concept level drawings, if applicable; map; estimated cost of project (capital and O&M); amount of funds already allocated (capital and O&M), if any; name of project proponent (party that will implement project); proposed timeframe for implementation; and identification of required permits.

B. Fund Usage and the Oroville Facilities Boundary

The Fund shall be used solely to support projects that are selected in accordance with provisions granted the SBF Steering Committee, or as otherwise provided by Exhibit A, Attachment 1 (Appendix B) and that supplement the benefits provided by the Oroville Facilities, but which are located outside of the Oroville Facilities boundary.

At DWR's sole discretion and subject to FERC approval, the Fund may be used to support projects located within the Oroville Facilities' boundary, but which are not within the jurisdiction of FERC; (i.e. a non-profit use of project lands). Any such use of the Oroville Facilities' lands shall be subject to such terms and conditions as DWR and/or FERC deems appropriate.

C. Economic Development Potential

The economic and recreational benefits provided from the SBF shall create opportunities for job creation, tourism, and local recreation. Much of the recreational and economic development shall occur along Oroville's most prized natural resource, The Feather River.

VI. OROVILLE HIGHLIGHTS

The City of Oroville is located in the Sierra Nevada Foothills within the Northern Sacramento Valley of Butte County. Chico, population 86,479, is the nearest large City to the Northwest. Paradise is to the North and Gridley to the South of Oroville. Oroville is positioned off of Highway 70 and is in close proximity to Highway 99 with the City's population of 14,443. Oroville enjoys an emerging population of retirees and new families with an average household size of 2.5 persons. Seventy percent (70%) of Oroville's population is over 18 years of age with the median age of 32.6.

The Greater Oroville Area (unincorporated) boasts a population of 52,906, as of the most recent census. The area has a great history, great schools, and accessibility to incredible recreational resources.

Butte County is located about sixty miles north of Sacramento and proclaims a strong quality of life with short commutes, downtown areas, and unlimited outdoor activities. With a population of approximately 219,000, the county is the most populous county north of Sacramento. The county was recently rated second in the state for places to locate, listed as one of the top five places to retire by Kiplinger's Personal Finance Magazine, and cited for some of the best property buys by the San Francisco Chronicle.

VII. ECONOMIC SETTING

The City of Oroville, and the Greater Oroville Area, has experienced long-term economic distress for well over a decade. The population within the incorporated limits of Oroville has remained relatively stable over the past 20 years, while the population of Butte County has continued to grow. The recent population growth in Oroville was primarily due to annexation of county residential areas.

Oroville is also the Butte County Seat and hosts a relatively large employment base in public administration, medical, and utility industries. The impact of reliance on agriculture and government has had significant ramifications including high unemployment and underemployment, negative employment growth, lugubrious per capita income, and stagnant sales growth.

The Oroville economy has experienced an increase in service industry and a decline in manufacturing employment from 1990 to 2000. In 2000, approximately 48% of Oroville employment was service-industry employment (educational, health, social services, arts, entertainment, recreation, food, lodging, administrative/management). Major employers include basic industries, such as fruit canning, metal fabrication, wood products, and packaging materials. The major industries of the Oroville area are agriculture, food processing, and the services associated with the surrounding recreational area.

A retail sales leakage study was performed in 2007 by the Center of Economic Development of CSU, Chico for the City of Oroville. The study indicated that Oroville is losing approximately \$195 million a year to other communities such as Chico and Yuba City. The retail sales leakage indicated the importance of the economic development plan and a comprehensive business recruitment and expansion plan.

Public sector tools are needed to assist in addressing the economic problems, and to help stimulate private sector investment, thereby creating jobs for the targeted income group. The SBF can, and will be a valuable asset in this effort.

VIII. GENERAL REQUIREMENTS

In addition to any specific technical input listed in the scope of work below, the successful Consultant(s) will be expected to:

Act as project manager of their own team to ensure timely completion of the work.

- ✓ Ensure coordination with SBF staff and any other consulting groups.
- ✓ Assume responsibility for research and gathering any relevant information including current standards and/or legislative rules the plan will have to adhere to.
- ✓ Create and update current and proposed layout maps, figures, and tables for the final document, as needed.
- ✓ Recommended goals and objectives.
- ✓ Attend meetings with City and SBF staff, public hearings, and the SBF Steering Committee to present and defend their findings.
- ✓ Compile, write, and edit sections of the plan to the final document.

IX. SCOPE OF WORK SUMMARY

A. Detailed Description of the Program Design

The SBF Steering Committee needs a comprehensive RFSP plan to guide the SBF with future planning and funding efforts. Cooperative public and private sector development activities will be enhanced by the development of a comprehensive RFSP. The plan should identify and evaluate:

1. The SBF current resources,
2. Key obstacles to future recreational and economic development,
3. Appropriate and attainable recreational and economic development goals,
4. Future recreational and economic development strategies and priorities.

The planning process should result in identifying effective development strategies and projects that will attract development that improve residents' quality of life. These strategies/projects would be compatible with the SBF long term goals. Ideally, the final plan should also help direct and facilitate cooperation between the numerous agencies and organizations involved in local development; (for example, the Chamber of Commerce, the Oroville Economic Development Corporation, City Planning Department, City Redevelopment Agency, Feather River Recreation and Park District, Department of Water Resources, State Parks, and other similar organizations).

Understanding the key development steps and opportunities will be vital in decision-making for SBF future project development. The attraction of tourism to the area will also provide greater community benefits besides the direct additional job and tax base creation.

In addition to the benefits that the RFSP could have for the stakeholders and local agencies, the plan should provide the SBF Committee and others in their

future applications for grant funding opportunities from state and federal agencies.

B. Detailed Description of the Proposed Scope of Work

The RFSP is intended to provide a plan that responds to the requirements of the Settlement Agreement for the licensing of the Oroville Facilities. The final product will be comprised of two parts:

Part 1: An analysis of the City of Oroville and the Greater Oroville Area that understands the demographics and its recreational and economic characteristics.

The following will be required with the proposal:

- a) Provide best use for the annual proceeds from the SBF.
- b) Provide summary of obstacles, internal, external, and community wide.
- c) Evaluate the adequacy of infrastructure and anticipated needs for the planned projects. The RFSP should address infrastructure improvements, such as transportation, sewer, water, power, and their impact on future projects.
- d) Complete a strengths and weakness, opportunities, and threats (SWOT) analysis for the SBF which will allow the SBF Steering Committee to recognize the inherent strengths and weaknesses in reviewing, analyzing, and selecting projects.
- e) Develop goals and objectives for the SBF Steering Committee.
- f) Establish guidelines for the success of the program.

Part II: Based on the information research for this study, provide an implementation plan for the RFSP within the City of Oroville and the Greater Oroville Area that would be used by proponents of future SBF proposals and projects.

Consultants will take into consideration existing information and procedures previously completed as well as the Oroville General Plan, the Butte County General Plan, Feather River Recreation and Parks District, State Parks Master Plan as it relates to the FERC boundaries, City of Oroville Economic Plan, and the Tourism Plan. The final product will consist of:

- a) A final bound copy in print form (one (1) of the original and seven (7) copies). The cover will state “The Supplemental Benefits Fund/Regional Fund Strategic Plan has been funded by the DWR and the State Water Contractors”.

b) Electronic versions: The final product will be submitted on a CD for duplication and also submitted via email as a PDF file.

C. SBF Steering Committee Presentation

1. The Consultant will be prepared to present the final study and implementation plan to the SBF Steering Committee at a public hearing for review and comments. The SBF Steering Committee approval is subject to a continuation of the public hearing.
2. Ten percent (10%) of the consultant's budget will be held in reserve pending approval of the final product by the SBF Steering Committee.

The final product will be a detailed action strategy addressing each of the tasks outlined in the project scope of work. The action strategy will result in a more coordinated and consistent approach to administrating the SBF. The report will be a format that is easy to read and useful as a resource for all and must include acknowledgment of the SBF funding on the front cover.

D. Minimum (RFSP) Standard Considerations

1. Phasing of projects to complement the implementation of DWR's Recreation Management Plan, including consideration for development of the recreational and economic benefits of The Feather River.
2. A statement of goals and objectives that provides a basis for optimizing Fund Benefits based on sound business practices consistent with public purposes.
3. Allocations of the overall Fund for administrative costs, capital expenditures, operation and maintenance costs, feasibility costs, and environmental permitting and related costs with the intent of maximizing benefits to the local region.
4. A discussion of the consistency of the RFSP with identified goals for economic and recreational development in the greater Oroville Area including the potential for energy and water incentives or programs.
5. Measurable performance standards to ensure that economic and recreational benefits are distributed in a manner that is consistent with the goals of the RFSP and those benefits are distributed appropriately in the region.
6. A list of the RFSP policies that will ensure consistency with the identified goals.

7. Protocols for ensuring the consistency of the RFSP with the new license of the Oroville Facilities, including the approved Recreation Management Plan.
8. Adaptive management features to ensure that the RFSP remains effective throughout the term of the Settlement Agreement, or as determined by the SBF Committee, periodic review and update of the RFSP, no less than every ten (10) years.

X. SUBMITTAL REQUIREMENTS

A. Proposal Format and Contents

The SBF Steering Committee reserves the right to reject any and all proposals submitted, to request clarification of services submitted, to request additional information from competitors, and to waive an irregularity in the proposal and review process.

B. Overview

The Proposal shall be on recycled paper and shall include a cover sheet, table of contents, index sheets, sub consultants, work team, relevant work experiences, and resumes of principal who will work on the project.

The proposal will also provide the following information; name, title address, and telephone number of the individual with authority to bind the company and also who may be contacted during the proposal evaluation period. The proposal shall be signed by an official authorized to bind the Consultant. The proposal shall remain in effect for at least a one hundred twenty (120) day period.

Proposals shall be submitted in a sealed envelope. The envelope shall contain the proposed work to be completed by the Consultant. This envelope shall be clearly marked with the name and address of the business in the upper left hand corner and in the lower left hand corner marked **"Supplemental Benefits Fund/Regional Fund Strategic Plan"**. The lower right hand corner of the envelope is to be marked as **"PROPOSAL."** **All proposals must be submitted in hard copy to the City of Oroville.**

These sealed proposals will be accepted until the time given within this document at the location stipulated in this document. Any proposals not received by that time at that location will be REMOVED from CONSIDERATION.

XI. PROPOSAL CERTIFICATION FORM

The prospective Consultant's proposal shall include an executed Proposal Certification Form. The Proposal Certification Form is attached as Appendix B.

XII. QUALIFICATIONS AND EXPERIENCE OF FIRM, INCLUDING SUB-CONSULTANTS

The Consultant shall provide information on their business, applicable certificates of recognition, and other pertinent information that demonstrates their qualifications to perform the contract. Information on education, training, certification, awards, etc. for individual employees of the Consultant or Sub-Consultant may be supplied.

Include description of example similar projects completed within the last five (5) years that are comparable to the proposed project. Identify staff; including Sub-Consultants (if any) and their responsibilities for example projects if proposed for assignment to this project. Provide references, including names, addresses, and telephone numbers.

The Consultant shall designate a project team comprised of experienced professionals and technical staff to competently and efficiently perform the work with their own personnel, Sub-Consultants, or commitment to hire additional staff. Include a table of organization for the Project Manager, and key project staff, including Sub-Consultants (if any) that will be assigned to the project. Provide narrative description of the qualifications and experiences of each key person, along with their proposed project responsibilities. A resume may be included for each of the persons shown on the table of organization. List the names, addresses and telephone numbers of anticipated Sub-Consultants (if any).

The Consultant shall not assign, sublet, or transfer any or all of the interest in the work without prior written approval of the SBF Administrator. The prime Consultant shall do a minimum of seventy percent (70%) of the work.

XIII. UNDERSTANDING OF PROJECT SCOPE

The Consultant shall demonstrate an understanding of the generalized scope of services for the work. The Consultant shall set forth how they propose to accomplish this work. The Consultant shall address the methodology, techniques and process they propose to use. The Consultant must describe the firms proposed solutions for project analysis and recommendations. The Consultant agrees to engage the SBF Administrator and SBF Coordinator in community meetings, site visits, and interviews.

XIV. PROPOSED TIMELINE AND SCHEDULE

RFP Released:	08-15-2008
Proposals Due:	09-15-2008
Evaluation of Responses:	By: 10-15-2008
Interviews:	TBA
Signed Contract by SBF/Steering Committee	TBA

XV. TIME ALLOCATION

The Consultant shall provide a basic estimate of the total person-hours expected to be required to perform each task contemplated for the project, and breakdown of the employees and professionals to be assigned to the tasks. The Consultant must provide a comprehensive fee schedule for all personnel which may be used in the course of the work including Sub-Consultants (if any), and all other costs that may be applicable to any necessary extra services. **Place Fee Schedule and total cost for completing the RFSP in a separate envelope to be opened following an oral interview process.**

A. Timing for Submission of Qualifications

Submittal in response to this RFP must be received **no later than 3:00 pm (PST), on September 15, 2008** by the City of Oroville located at 1735 Montgomery Street, Oroville, California 95965, Attention: Bob Marciniak, SBF/RDA Coordinator. Any proposal submittals received after that time or date will **not** be accepted.

B. Contact Information

Bob Marciniak
SBF/RDA Coordinator
City of Oroville
1735 Montgomery Street
Oroville, California 95965
Email: marciniakb@cityoforoville.org
Telephone: (530) 538-2518
Facsimile: (530) 538-2468

XVI. CRITERIA FOR EVALUATION OF PROPOSALS

A. Overview

Proposals will be evaluated and based according to the outline below. The Consultants with the best and most qualified proposal will be selected by the City of Oroville and the Supplemental Benefits Fund Steering Committee.

B. Evaluation of the Firm's Qualifications, Team, Scope, Schedule of Charges

Each proposal will be evaluated in the following areas:

- Understanding:
 - Supplemental Benefits Fund Requirements
- Qualifications:
 - Firm, Team, Individual Experience
 - Experience
 - Methodology
 - Fee Schedule

The selected Consultant shall be required to enter into a written agreement with the City in a form approved by the SBF General Counsel. An example of the approved form "*Sample Agreement for Professional Services*" attached as Appendix E.

Any executed agreement for services or an agreement by and between the SBF and the Consultant requires formal Steering Committee approval. To authorize, the Chairperson of the SBF Steering Committee must sign the agreement. This RFP and the selected Consultant proposal, or any part thereof, may be incorporated into and made part of the final agreement.

XVII. SPECIFICATIONS AND/OR REQUIREMENTS

A. Business License

The successful Consultant, and Sub-Consultant, shall obtain a Business License on or before their commencement of the work on the project.

B. Insurance Requirements

Prior to beginning work, the Consultant shall obtain and furnish Certificates of Insurance to the City as set forth in the "Agreement for Professional Services"-Insurance Requirements for Consultants and is attached as an example form in Appendix D.

XVIII. APPENDICES

- A. Acronyms common to this RFP
- B. Contract #460007302, Exhibit A, Attachment 1, Pages 1-10 know as Appendix B of the Settlement Agreement for Licensing of the Oroville Facilities. FERC Project No 2100.

- C. Proposal Certification Form.
- D. Insurance Requirements for Consultants.
- E. Sample Agreement

APPENDIX A ACRONYMS COMMON TO THIS RFP

ALP	Alternative Licensing Process
CSU	Chico State University
DWR	Department of Water Resources
FA	Fund Administrator
FERC	Federal Energy Regulatory Commission
O&M	Operating & Management
PST	Pacific Standard Time
RFP	Request for Proposal
RFSP	Regional Fund Strategic Plan
SBF	Supplemental Benefits Fund
SWOT	Strengths, Weaknesses, Opportunities & Threats
SWC	State Water Contractors

What is strategic planning?

“...a systematic process through which an organization agrees on—and builds commitment among key stakeholders to—priorities which are essential to its mission and responsive to the operating environment...” (Allison, 1997”¹)

“...a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it...” (Bryson, 1995x)

...Scenes of Beautiful Oroville...



APPENDIX B

Measures Agreed to Among the Parties But Not to be Included in New Project License

Section B100. Project Supplemental Benefits Fund

A. General Provisions

- 1.0 The parties agree that their intent in establishing the Project Supplemental Benefits Fund (Fund) is to:
 - 1.1 Allow the benefits of the Oroville Facilities to be extended into the local communities in the vicinity of the FERC boundary in a manner consistent with DWR's authority to provide such benefits through operation of the State Water Project (SWP).
 - 1.2 Create benefits for the parties that are in concert with and do not conflict with the actions taken by DWR pursuant to the new FERC license issued for the Oroville Facilities and the Settlement Agreement.
- 2.0 If a significant representation from the local community, as determined by DWR, enters into the Settlement Agreement, then DWR shall establish and maintain the Fund, as further provided herein.

B. Fund Usage and the Oroville Facilities Boundary

- 1.0 Subject to subsection 2.0 below, the Fund shall be used solely to support projects that are selected in accordance with Section D or as otherwise provided herein and that supplement the benefits provided by the Oroville Facilities, but which are located outside of the Oroville Facilities' boundary.
- 2.0 At DWR's sole discretion and subject to FERC approval, the Fund may be used to support projects located within the Oroville Facilities' boundary, but which are not within the jurisdiction of FERC, i.e., a non-project use of project lands. Any such use of the Oroville Facilities' lands shall be subject to such terms and conditions as DWR and/or FERC deems appropriate.

C. Fund Administrator

- 1.0 Upon the effective date of the Settlement Agreement and subject to its execution of such agreement, the City of Oroville shall be designated as and assume the duties of Fund Administrator. If the City does not execute

the Settlement Agreement or withdraws from the Settlement Agreement, then DWR shall consult with other signatories and designate a different Fund Administrator.

- 2.0 The Fund Administrator shall use its internal protocols to formally designate a person within its organization to serve as the responsible person for performance of all such administrative duties required to ensure the orderly and efficient operation of the Fund. Such person, or successor thereto, will serve as the principal liaison with DWR during the establishment and operation of the Fund and will be fully authorized by the Fund Administrator to undertake actions on all administrative matters specified in the Fund Implementation Agreement.
- 3.0 As delineated further herein, the principal duties of the Fund Administrator shall consist of:
 - 3.1 Convening meetings and implementing the decisions of a Fund Steering Committee in accordance with Section D;
 - 3.2 Performing grant funding tasks in accordance with Section F;
 - 3.3 Developing a regional Fund Strategic Plan in accordance with Section G; and
 - 3.4 Entering into a Fund Implementation Agreement with DWR and discharging obligations thereto, in accordance with Section H.

D. Fund Steering Committee

- 1.0 Within six months of assumption of duties by the Fund Administrator, a Fund Steering Committee composed of five voting members and three advisory members, selected in accordance with subsection 2.0 below, shall be convened by the Fund Administrator to provide direction regarding proposed projects to be funded through the Fund.
- 2.0 The voting members of the Steering Committee shall be composed of the following publicly elected officials:
 - 2.1 three members from the Oroville City Council; and
 - 2.2 two members from the Board of Directors of the Feather River Recreation and Parks District.

The members of the Steering Committee will be selected by the appropriate governing body at the beginning of each calendar year and will serve one year terms, except that the initial term will be one year plus

the time from the date the initial member(s) are selected to the beginning of the next calendar year.

- 3.0 If one or more of the local agencies named in subsection 2.0 above fail to execute the Settlement Agreement, then DWR shall consult with the Fund Administrator and other local governmental agency signatories to determine an appropriate replacement agency(s), if any, for the non-signing agency(s).
- 4.0 DWR will participate on the Steering Committee in a non-voting advisory role.
- 5.0 Subject to their execution of the Settlement Agreement, the following stakeholders may, at their discretion, become non-voting advisory members of the Steering Committee:
 - 5.1 the State Water Contractors (SWC),
 - 5.2 the Oroville Area Chamber of Commerce, and
 - 5.3 American Rivers.
- 6.0 The Steering Committee shall be the sole decision-maker, through majority vote of its members, for purposes of adopting the Fund Strategic Plan, selecting proposed projects eligible for funding, and determining the level of funding appropriate for such projects. If the majority vote on any given measure or action results solely from the votes of a single agency, a majority plus one vote will be required for approval of the measure or action.
- 7.0 At the first meeting of the Steering Committee, a Chair will be elected to provide for the orderly performance of Steering Committee functions. Thereafter, the Steering Committee will elect a new chair annually. No member agency of the Steering Committee shall serve as Chair for more than two consecutive years.
- 8.0 At the first meeting of the Steering Committee, the Fund Administrator shall propose written procedures governing committee and membership activities for consideration and adoption by the Steering Committee. In no event shall such procedures conflict with or modify any provision of the Settlement Agreement; provided, however, that members may be added to the Steering Committee upon unanimous vote of the voting members of the Steering Committee, provided they were among the original signatories to the Settlement Agreement and written concurrence of DWR.
- 9.0 Principal duties of the Steering Committee will consist of:

- 9.1 facilitating administration of the Fund in a manner consistent with the prudent use of public funds for public purposes;
 - 9.2 adopting the Fund Strategic Plan;
 - 9.3 selecting proposed projects eligible for funding; and
 - 9.4 determining the level of funding appropriate for such projects.
- 10.0 The Steering Committee will hold public meetings as necessary, but no less than annually, to take action on:
- 10.1 development and adoption of the regional Fund Strategic Plan pursuant to Section G;
 - 10.2 review and approval of proposed projects to be funded that meet the criteria of the Fund Strategic Plan;
 - 10.3 approval of the level of funding for approved projects; and
 - 10.4 election of a new chair.

E. DWR Commitment to Establish and Maintain Fund

- 1.0 Subject to the DWR determination required under Section A(2.0), DWR shall establish the Fund that will provide up to \$61,270,000 of unescalated funds, with a combination of initial payments and annual payments as provided below.
- 2.0 After the executed Settlement Agreement is approved by the Department of Finance, the first \$1,935,000 of these funds will be made available in accordance with an annual schedule to be determined by the Fund Administrator in consultation with the Steering Committee. Payments shall be made in arrears upon invoice by the Fund Administrator to DWR of actual expenses up to the total \$1,935,000.
- 3.0 The second \$4,135,000 of these funds, as well as any unexpended funds from those made available pursuant to Section E(2.0), will be transferred as a lump sum to the Fund Administrator upon acceptance by DWR of a new license for the Oroville Facilities with terms and conditions that are consistent with and substantially similar to the provisions set forth in the Settlement Agreement.
- 4.0 DWR shall provide the following unescalated annual payments, as appropriate for the new license term, to the Fund Administrator by June 30

of each year beginning with the first year following DWR acceptance of a new license:

- 4.1 fifty year term: \$1,000,000 per year;
 - 4.2 forty-five year term: \$900,000 per year;
 - 4.3 forty year term: \$800,000 per year.
 - 4.4 For any license term less than forty years, DWR shall use its discretion to determine the annual payment, if any, which, at a minimum, shall be less than the amount listed in section 4.3 above.
- 5.0 The Fund also includes \$3,000,000 that DWR has already committed to Riverbend Park pursuant to an agreement with Feather River Recreation and Parks District, dated September 26, 2002, and an additional \$2,200,000 that was added to this contract via a contract amendment with approval from original signatories of the Interim Settlement Agreement for Riverbend Park Improvements.
- 6.0 If in any year in which DWR has, during its May determination, approved allocations of 35% or less of the maximum contractual amount SWP contractors can annually request pursuant to their long term water supply contracts, annual payments will be re-scheduled as follows:
- 6.1 when the approved allocation is 25% or less of the total annual contractual maximum, the next annual payment shall be reduced to \$300,000;
 - 6.2 when the approved allocation is between 26% and 35% of the total annual contractual maximum, the next annual payment shall be reduced to \$500,000;
 - 6.3 the reduced amounts shall be recovered in full through five equal annual installments beginning with the subsequent first year in which the May approved allocation exceeds 35% of the total annual maximum contractual amount the SWP contractors can request; provided that, the repayment obligation will be made in the years that the allocation exceeds 35% of the total annual maximum contractual amount the SWP contractors can request. The repayment obligation shall survive termination of this agreement and shall be added to the regular annual payments identified in Section 4.
- 7.0 DWR will use its best efforts to provide a transparent and stable funding stream for the Fund, consistent with its spending authorities.

- 8.0 If in any year(s) the annual generation (MWH) at the Oroville Facilities is reduced by more than 10% due to a forced physical outage or a regulatory, legislative, or judicial action, the payment(s) to the Fund for the following year(s) will be reduced by the percentage that exceeds 10%. This reduction in payment(s) shall remain in effect only until and to the extent that the reduction in annual generation remains in effect.
- 9.0 Payments to the Fund will constitute DWR's entire contribution to the funded projects and no contributions from DWR will be solicited by any party for any project that is denied funding by the Steering Committee.
- 10.0 At DWR's discretion and per its specifications, completed projects may include recognition of DWR funding.

F. Pursuit of Grant Funds by SWC and Steering Committee

- 1.0 The State Water Contractors (SWC), and the Steering Committee, agree to form a partnership,¹ the goals of which are to (1) solicit grant funds in addition to those made available under Section E. above, and (2) obtain grant funds to supplement the Fund such that the future purchasing ability of the proposed annual payments will at least keep pace with inflation.
- 2.0 To accomplish this, the SWC agree to use best efforts to:
 - 2.1 develop a grant assistance program aimed at securing funding in an amount equal to or greater than the amount needed to keep pace with inflation;
 - 2.2 work with the Fund Administrator in exploring various political avenues that may be a productive source of various grants;
 - 2.3 work with the Fund Administrator by making available appropriately qualified in-house staff trained in locating, researching, evaluating, and writing grant proposals for effective fundraising; and
 - 2.4 make available staff resources in an amount not to exceed 50 percent time of one FTE. The staffing for obtaining grant funding will be in effect until five years prior to the expiration of the new license.

¹ Use of the term "partnership" does not connote or create a legal relationship between the SWC and other parties. The parties are not partners, joint venturers or any other legal entity. Rather, use of the term "partnership" is limited to signifying a cooperative endeavor between the SWC and local interests to seek to obtain grant funds, consistent with the concepts set forth herein.

- 3.0 The Fund Administrator, in coordination with the resources of the Steering Committee voting members, agrees to make available appropriate staff and other resources to complement the grant funding efforts of the SWC without using any Fund allocations.
- 4.0 Due to the local community's existing desire for recreational and economic development benefits, it is expected that fundraising efforts should be pursued particularly aggressively during the first ten years of the new license term.
- 5.0 The SWC grant assistance program efforts and the local community grant assistance program efforts will be coordinated. The SWC's efforts will be managed by a SWC representative who shall serve in an advisory capacity to the Steering Committee. The SWC representative also will be responsible for reporting on the SWC grant assistance program activities and performance to the Steering Committee at least once a year. The SWC may designate different personnel to serve on the Steering Committee and to manage the grant funding process. The Fund Administrator shall designate a local representative who will manage the grant program activities on behalf of the Steering Committee.
- 6.0 The SWC and local community grant assistance program's performance will be evaluated by the Steering Committee during and in accordance with future updates and revisions of the regional Fund Strategic Plan described below. The purpose of the evaluation will be to: review past SWC and local community grant assistance program performance; ensure that "best efforts" by the SWC and local community have been made; and, if necessary, recommend and adjust the program's future fundraising strategy and efforts for greater fundraising effectiveness.
- 7.0 The parties agree that grant funding cannot be assured due to the competitive process for obtaining such funds. As a result, the SWC are not obligated to guarantee any level of grant funding. The sole SWC commitment is to provide staff resources and political capital to assist and work with the local community to obtain grant funds. It is further agreed that the SWC shall have no obligation to pursue any particular grant if in its judgment to do so would be detrimental to the economic or political interests of the SWC or any of its members. It is further agreed that in those cases where the SWC or any of its members are, or would be, competing with the local community for funds from the same source, there shall be no obligation on the part of the SWC to undertake any actions in pursuit of the grant.
- 8.0 At the request of either the SWC or the Steering Committee, the grant funding provision of this agreement may be reviewed after the first 10 years of the license term if the grant assistance program has not resulted

in the procurement of any grant funding. If no grant funding has been obtained, the SWC and the Steering Committee will negotiate in good faith to develop additional or alternative jointly- pursued actions or methodologies for obtaining grant funds. This renegotiation shall constitute the sole remedy for failure to obtain grant funds.

- 9.0 Payments to DWR for the Fund will constitute the SWP contractors' and their member agencies' entire contribution to local projects, and no further contributions from the SWP contractors or their member agencies will be solicited by any local party. Further, at the request of the SWC, completed projects made possible through grant funding will include recognition of SWC efforts.

G. Regional Fund Strategic Plan

- 1.0 At the direction of the Steering Committee, the Fund Administrator shall develop a regional Fund Strategic Plan to guide the Steering Committee in selecting and funding proposed projects in a manner that optimizes the overall benefits to the local region consistent with the availability of funds.
- 2.0 Subject to subsection 3.0 below, only those projects consistent with the goals of the Fund Strategic Plan shall be eligible for funding.
- 3.0 Prior to adoption of the Fund Strategic Plan, the Steering Committee may direct the Fund Administrator to fund administrative activities and selected projects only from funds obtained through the initial payments as provided in subsections E.2.0 and E.3.0.
- 4.0 Development of the Fund Strategic Plan shall include a series of public meetings to obtain input about the need for proposed projects. Such meetings shall be open to any person.
- 5.0 At a minimum, the Fund Strategic Plan shall include the following:
 - 5.1 phasing of projects to complement the implementation of DWR's Recreation Management Plan, including consideration for development of the recreational and economic benefits of the Feather River.
 - 5.2 a statement of goals and policies that provide a basis for optimizing Fund benefits based upon sound business practices consistent with public purposes;
 - 5.3 allocations of the overall Fund for administrative costs, capital expenditures, operation and maintenance costs, feasibility costs,

and environmental permitting and related costs, with the intent of maximizing benefits to the local region;

- 5.4 a discussion of the consistency of the Fund Strategic Plan with identified goals for economic and recreational development in the greater Oroville region, including the potential for energy and water incentives or programs;
- 5.5 measurable performance standards to ensure that economic and recreational benefits are distributed in a manner that is consistent with the goals of the Fund Strategic Plan and that benefits are distributed appropriately in the region;
- 5.6 a list of the Fund Strategic Plan policies that will ensure consistency with the identified goals;
- 5.7 protocols for ensuring the consistency of the Fund Strategic Plan with the new license for the Oroville Facilities, including the approved Recreation Management Plan;
- 5.8 adaptive management features to ensure that the Fund Strategic Plan remains effective throughout the term of the Settlement Agreement, or, as determined by the Steering Committee, periodic review and update of the Strategic Plan no less than every 10 years;
- 5.9 Project selection criteria, which shall include:
 - 5.9.1 priority consideration for funding projects with a documented source of matching funds or other cost-sharing mechanism and priority consideration for projects with an ability to return a portion of generated revenue to the Fund; if matching funds will be made available, the project proponent must provide documentation of such firm commitment before allocations of the Fund can be made;
 - 5.9.2 consistency with existing environmental and recreational projects, and local land use plans;
 - 5.9.3 ability of the proposal to adequately define a project description, with concept level drawings, if applicable; map; estimated cost of project (capital and O&M); amount of funds already allocated (capital and O&M), if any; name of project proponent (party that will implement project); proposed timeframe for implementation; and identification of required permits;

H. Fund Implementation Agreement

- 1.0 DWR and the Fund Administrator will use best efforts to develop and execute a Fund Implementation Agreement within four months of the effective date of the Settlement Agreement. The purpose of the Fund Implementation Agreement is to direct future performance of all administrative duties associated with implementation of the Fund. This Fund Implementation Agreement will include, but not be limited to, detailed language addressing the following duties of the Fund Administrator:
 - 1.1 entering into appropriate contracts with developers of selected projects and ensuring compliance with applicable state and federal environmental laws;
 - 1.2 monitoring the progress of selected projects and enforcing any contractual remedies for non-performance;
 - 1.3 documenting all use of the Fund in a manner consistent with auditing requirements associated with the use of public funds;
 - 1.4 working with DWR to resolve in a timely manner any of its issues related to administration of the Fund;
 - 1.5 working with the Steering Committee to implement its decisions;
 - 1.6 developing criteria to be followed during project implementation and inserted into contracts with developers, including:
 - 1.6.1 schedule and benchmark conditions for phased release of Funds, as determined appropriate by the Steering Committee;
 - 1.6.2 identification of responsible parties for securing any necessary permits and for implementing the project in accordance with conditions, timelines, benchmarks;
 - 1.6.3 requirements for periodic status reports to Administrator;
 - 1.6.4 penalties for failure to comply with conditions such as withdrawal of allocation of funds to that project.

I. Fund Administrative Expenditures

1.0 Portions of the Fund will be allocated for administration of the Fund and Fund Strategic Plan development, as specified below:

1.1 For the first two years beginning with the effective date of this agreement, an annual average amount of \$300,000 per year will be allocated to the Fund Administrator for administrative duties associated with establishment and initial administration costs of the Fund, including development of a Fund Strategic Plan in accordance with the applicable provisions herein. Any amount allocated to administrative costs in the first two years that is not expended for administrative duties shall be reallocated to the Fund by the Fund Administrator.

Thereafter, a maximum annual amount to be determined by the Steering Committee will be allocated to the Fund Administrator for administrative duties. Administrative duties include, but are not limited to, activities associated with management of the Fund, including implementation of the Fund Implementation Agreement, disbursement of funds allocated to projects, oversight of projects that receive an allocation of the Fund, coordination of Steering Committee meetings, public notice of Steering Committee meetings, preparation of minutes of Steering Committee meetings, and staff for the Fund Administrator, as appropriate. Any amount allocated to administrative costs that is not expended for administrative duties shall be reallocated to the Fund.

Section B101. Feather River Whitewater Boating Opportunity Feasibility Study

(a) After filing the signed Settlement Agreement with FERC, Licensee will initiate and fund a whitewater boating opportunity and recreation feasibility study to assist the Fund Steering Committee of the Project Supplemental Benefits Fund in determining whether to fund the construction and operation of such a project, or cost share on such a project somewhere in the region, pursuant to their funding criteria. This feasibility study will be conducted in consultation with signatory Parties of this Settlement Agreement for the Oroville Facilities. Specifically, American Rivers, American Whitewater, and the City of Oroville may actively contribute to the completion of the study and participate in its funding.

(b) This feasibility study will build off of the results of R-16 Whitewater and River Boating Report (DWR 2004). Components of this study will include: 1) a study scoping process; 2) a review of potential whitewater opportunities within this area, including park and non-park options, and constraints (physical, operational, environmental, estimated conceptual costs, and permitting/approvals needed); 3) a review of other existing and

proposed whitewater boating park and non-park opportunities in the region (N. California, N. Nevada, other nearby western states, or other appropriate analogs if possible), including boating experience and opportunities provided, seasonal timeframe availability, typical user distance traveled; visitation census if available; 4) whitewater demand trends, market feasibility, ownership and management (and financing) options, estimates of direct and indirect economic activity potentially generated by such a facility, and potentially competing venues or opportunities; and 5) conclusions regarding the feasibility of constructing and operating a whitewater boating (park and non-park) facility in the project area or region.

(c) Except as provided in the Project Supplemental Benefits Fund, the Licensee's financial obligation under this provision does not extend beyond this feasibility study. Study cost contribution by the Licensee will be a maximum of \$250,000. The study scoping process, including any necessary contracting efforts, will commence within 90 days of the execution of this Settlement Agreement. Target study completion will be within 15 months of execution of this Settlement Agreement.

LAND USE AND ENGINEERING/OPERATIONS

Section B102. Development of a Fuel Load Management Plan

Within one year of license issuance, the Licensee agrees to develop and file for Commission information a Fuel Load Management Plan for the Project lands. The plan will be developed in coordination with the U.S. Forest Service, Bureau of Land Management, California Department of Forestry and Fire Protection Butte Unit, California Department of Parks and Recreation, California Department of Fish and Game, Licensee, Paradise Fire Department, Butte County Fire Safe Council, Butte County Resource Conservation District, State Water Contractors, Native American Tribes, and other appropriate agencies and associated public processes. The plan will include identification of the issues, prioritization, and recommended actions to address them. The plan will be prepared to be consistent with the plans adopted by the above entities for non-project lands, to the extent permitted by the license and operational constraints of the Project. The plan will be prepared to be consistent with the Oroville Wildlife Area Management Plan. The Parties acknowledge that the Forest Service is submitting a 4(e) condition regarding a Fuel Load Management Plan for Forest Service lands within the FERC boundary, and that FERC will include that condition in the New Project License. The Parties agree that the inclusion of the Forest Service 4(e) condition on fuel load management will not make the New Project License Inconsistent with this Settlement Agreement.

Section B103. Additional Gaging

The Licensee agrees to evaluate and potentially implement additional stage and/or precipitation gaging locations in order to improve flood forecasting and monitoring.

ENVIRONMENTAL PROVISIONS

Section B104. Feather River Fish Hatchery Funding

The Licensee shall provide all necessary funding to the California Department of Fish and Game to implement the Feather River Fish Hatchery Program as set forth in Article 107.

Section B105. Gravel Supplementation

Upon execution of this Settlement Agreement, the Licensee shall proceed to obtain all necessary permits for the supplementation of at least 8,300 cubic yards over the December 31 2005 baseline of spawning gravels suitable for spring-run Chinook salmon or steelhead which shall be distributed over up to 15 locations in the Low Flow Channel or High Flow Channel of the Feather River as set forth in Article 102. Upon obtaining all necessary permits, the Licensee shall implement this provision.

Section B106. Oroville Wildlife Management Plan

The California Department of Fish and Game shall use best efforts to obtain adequate funding to develop the Oroville Wildlife Management Plan as set forth in Article 115.

Section B107. Revision of Speed Limit Regulation for Thermalito Afterbay

Upon the execution of this Settlement Agreement, the California Department of Fish and Game shall make a recommendation to the California Fish and Game Commission to rescind the speed limit for the Thermalito Afterbay south of Highway 162.

Section B108. Flow/Temperature to Support Anadromous Fish

(a) River Valve. Upon execution and filing of the Settlement Agreement, Licensee shall begin the necessary studies for the refurbishment or replacement of the river valve. Licensee shall refurbish or replace the river valve as necessary in its sole discretion. The river valve will continue to be used primarily for meeting the hatchery temperature requirements (which has the incidental effect of helping to achieve Table 1

temperatures) until a Facilities Modification(s) for providing colder water to the Low Flow Channel and High Flow Channel is constructed. After the refurbishment or replacement of the river valve and prior to the completion of construction of the Facilities Modification(s), the Licensee shall consider using the new valve to meet the hatchery temperatures targets in A107.2(a).

(b) Reconnaissance Study for Potential Facilities Modification(s) for Fish Habitat Temperature Needs.

- (1) By October 31, 2006, Licensee shall submit to National Marine Fisheries Service, U.S. Fish and Wildlife Service, California Department of Fish and Game, California State Water Resources Control Board, American Rivers, and the State Water Contractors, a Reconnaissance Study of Potential Facilities Modification(s) to address temperature habitat needs for anadromous fisheries in the Low Flow Channel and High Flow Channel. The study shall clearly: identify resource issues and goals to be addressed; identify and describe an array of alternatives to address the issues and goals; and identify potential issues, benefits, impacts and likely costs of the identified alternatives. The alternatives to be considered include, at a minimum: (i) Palermo Canal improvements; (ii) Hyatt intake extension; (iii) replacement of the river valves with valves specifically designed to incrementally control water releases; (iv) construction of a diversion canal around or through the Thermalito Afterbay; and (v) construction of an alternative Thermalito Afterbay Outlet and channel in the OWA to the Feather River. Alternatives shall be analyzed with consideration of all project purposes, including water supply, flood control, power generation, recreation and fish and wildlife protection. If appropriate, alternatives may be eliminated from further study if: (i) the benefits do not exceed the costs, (ii) there are significant environmental impacts, or (iii) they are otherwise impractical. This study is not expected to determine a preferred alternative, but rather is intended to narrow the range of potential actions. However, the Parties shall rely on a future in-depth Feasibility Study and Implementation Plan for Facilities Modification(s) to eventually select Facilities Modification(s) or other actions to meet Table 1 temperatures and address appropriate temperature resource goals in the High Flow Channel.
- (2) Licensee shall provide a draft Reconnaissance Study to the National Marine Fisheries Service, U.S. Fish and Wildlife Service, California Department of Fish and Game, California State Water Resources Control Board, American Rivers, and the State Water Contractors by August 31, 2006. It shall attempt to resolve any disputes regarding the study through consultation. The final study shall include the results of such consultation, including response to comments and an explanation why any comments were not incorporated.

- (3) Licensee shall provide a copy of the final Reconnaissance Study to the Commission for information purposes by approximately October 31, 2006.

(c) Cost Caps for Facilities Modification(s) for Fish Habitat Temperature Needs. The Parties agree to a cost cap of \$5 million for the Reconnaissance Study and subsequent Feasibility Study and Implementation Plan for Facilities Modification(s). The Parties agree to a capital cost for the Facilities Modification(s) not to exceed \$60 million (2005). Capital costs include those costs normally associated with large construction projects as estimated using standard procedures. Parties will not request that the Commission order Facilities Modification(s) that cost in excess of this cap, provided the Reconnaissance Study and Feasibility Study and Implementation Plan for Facilities Modification(s) show that a Facilities Modification(s) within the cap will achieve the stated purposes in Article A108. If the total estimated costs exceed a total of \$65 million, the Parties agree to seek additional third party funding. If such third party funding cannot be obtained within a reasonable time, the Parties may then request the Commission to order the Facilities Modification(s) notwithstanding that it may exceed the cost cap.

(d) If the Commission does not approve the recommended Plan, the Licensee shall refine the Plan in consultation with the National Marine Fisheries Service, U.S. Fish and Wildlife Service, California Department of Fish and Game, California State Water Resources Control Board, American Rivers, and the State Water Contractors and resubmit the Plan to the Commission for approval.

Section B109. Riparian/Floodplain Screening Level Analysis

The Licensee shall develop the screening level analysis for potential riparian/floodplain improvement projects required in Proposed License Article A106(b)(1) consistent with the Oroville Wildlife Area Management Plan currently in effect.

Section B110. Analysis of Non-Motorized Water Trail Shoreline Access

(a) Within one year of License issuance, the Licensee shall complete an analysis of non-motorized water trail shoreline access opportunities along the Feather River within and in the vicinity of the Project boundary. Suitable sites will be identified and ranked in consultation with the signatory Parties of this Settlement Agreement.

(b) Licensee shall fund and/or construct or improve a total of two to three river access sites within five years after the New Project License becomes final.

(c) Licensee shall work cooperatively with California Department of Boating and Waterways and other appropriate state or local agencies to expand the boating trail

opportunities downstream in the Feather River to the Sacramento River confluence or beyond where practical.

Section B111. Oroville Wildlife Area Funding

Within 120 days of the signing of the Settlement Agreement or by July 1, 2006, whichever is sooner, the Licensee shall complete an Interagency Agreement to provide the annual funding to the California Department of Fish and Game (CDFG) as agreed upon to manage the Oroville Wildlife Area (OWA) and implement those continuing tasks associated with the FERC Project No. 2100. The commitment and resources to be committed in the IA that will be effective on July 1, 2006 are as follows:

The current estimate of the staff resources needed by DFG pursuant to the Settlement Agreement is estimated as the equivalent of 5.5 full-time positions to perform and manage various activities that include public safety, recreational management, facilities management and protection, and the protection of fish and wildlife resources within the OWA. Specifically, these positions would be a combination of: (1) Habitat Supervisor II, (2) Habitat Supervisor I, (3) Environmental Scientist/Biologist, (4) Tractor Operator/Laborer, (5) Fish and Wildlife Technician and (6) Seasonal Aide(s). These positions would be employees of the CDFG. The estimated cost of funding these positions is \$350,000 annually (2005). The Licensee shall reimburse CDFG within (45) days of receipt of invoice; CDFG shall give the Licensee an invoice detailing the cost, as often as monthly in arrears. The records of expenditures will be available for Licensee's review.

The Licensee shall provide sufficient funds to CDFG for the purchase of: (1) one air boat and trailer, (2) One 4x4 Back Hoe, (3) two 4x4 ATVs, and (4) five 4WD pick up trucks. The estimated cost of the above is \$232,000. The Licensee shall, upon Signing of the Settlement Agreement, pay CDFG \$232,000 for the purchase of this equipment. CDFG shall give the Licensee a copy of all invoices or bills of sale and indicate the total cost of the equipment. If the actual cost exceeds \$232,000, then the Licensee shall pay the additional actual costs within forty five (45) days of receipt of the invoices or bills of sale by CDFG. The records of expenditures will be available for Licensee's review. The Licensee and CDFG agree that this equipment may need to be replaced during the term of the license. The Licensee and CDFG shall meet every five years as described below to make necessary funding adjustments.

The Licensee shall provide \$82,500 annually (2005) to CDFG and thereafter on or about July first of the new fiscal year. This money may be spent by CDFG for expenses including but not limited to utilities, phone service, equipment maintenance, vehicle maintenance, refuse disposal, and general operating and maintenance costs. This amount is for minor administrative expenses only and is not intended to encompass expenses beyond such minor administrative expenses. Any costs associated with mosquito abatement shall be sent directly to the Licensee for payment. Any regulatory or compliance costs, or other third party costs, associated with FERC Project No. 2100

and its effect on the operation of the OWA are the responsibility of the Licensee. The records of CDFG's administrative expenditures will be available for Licensee's review. The Licensee shall provide CDFG \$170,000 (2005) annually and thereafter on or about July first of the new fiscal year to assist CDFG with its Wildlife Protection activities within the OWA and Project boundary (FERC Project No. 2100). The records of expenditures will be available for Licensee's review.

Additionally, the Licensee shall provide CDFG their costs, not to exceed \$100,000 annually (for the term of the license), for public safety and enforcement overtime within the OWA and FERC Project No. 2100 Boundary. These overtime dollars are to be used for enforcement of the California Code of Regulation, Fish and Game Code and other state laws. The records of expenditures will be available for Licensee's review.

Upon license issuance and at five year intervals for the remainder of the license, the commitments identified above shall be reviewed by the Licensee and CDFG and funds necessary for the operation of the Oroville Wildlife Area and implementation of tasks associated with the new license (FERC Project No. 2100) provided to CDFG. The Licensee and CDFG shall mutually agree to adjust these commitments and resources as necessary to better reflect then current costs of operating the OWA and implementing the new FERC Project No. 2100 license conditions within the OWA and FERC Project No. 2100 boundary.

**APPENDIX C:
PROPOSAL CERTIFICATION FORM--REGIONAL FUND STRATEGIC PLAN**

Note: Please ensure that all required signature blocks are completed. Failure to sign this form will render your proposal invalid.

Issue Date:	TBD
Issuing Agent:	City of Oroville 1735 Montgomery Street Oroville, CA 95965
Proposal Due Date:	TBD
Proposal Directed To:	Bob Marciniak, SBF/RDA Coordinator City of Oroville
Number of Proposal Copies:	Two (2) copies with attachments

In compliance with this Request for Proposal and to all conditions imposed herein, the undersigned offers and agrees to furnish the services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation. By signature hereto, the proponent certifies that all representations and certifications contained in its proposal are complete and accurate as required.

Name of Firm:	
Address of Firm:	
Contact Name:	
Signature:	
Title:	
Date:	
Phone Number:	
Alternate Phone Number: (optional)	
Fax Number:	
Federal Employee ID Number: (if applicable)	

APPENDIX D: INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS FOR GRANTEE

Grantee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Grantee, his agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001).
2. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

Minimum Limits of Insurance

Grantee shall maintain limits no less than:

- | | |
|---|---|
| 1. General Liability:

(Including operations products and completed operations, as applicable.) | \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. |
| 2. Automobile Liability: | \$1,000,000 per accident for bodily injury and property damage. |
| 3. Employer's Liability: | \$1,000,000 per accident for bodily injury or disease. |

Deductible and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Oroville. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Grantee shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

The commercial general liability and automobile liability policies are to contain, or be

endorsed to contain, the following provisions:

1. The City, its officers, officials, employees and volunteers are to be covered as insured as respects: liability arising out of work or operations performed by or on behalf of the Grantee; or automobiles owned, leased, hired or borrowed by the Grantee.
2. For any claims related to this project, the Grantee's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Grantee's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII unless otherwise acceptable to the City.

Verification of Coverage

Grantee shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms provided those endorsements conform to City requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

APPENDIX E
SAMPLE AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of _____, by and between the **City of Oroville** ("City") and _____("Consultant").

RECITALS

1. WHEREAS, pursuant to the provisions of Standard Agreement No. 4600007302 between the California Department of Water Resources (DWR) and City, the City serves as the Fund Administrator for the Supplemental Benefits Fund.
2. Consultant is specially trained, experienced and competent to prepare the Regional Fund Strategic Plan as required by this Agreement; and
3. Consultant possesses the skill, experience, ability, background, license, certification, and knowledge to provide the services described in this Agreement on the terms and conditions described herein.
4. City desires to retain Consultant to render professional services as set forth in this Agreement.

AGREEMENT

1. Scope of Services. The Consultant shall furnish the following services in a professional manner:

Consultant shall prepare the Regional Fund Strategic Plan which is due on _____, for the City of Oroville as described on Exhibit "A" which is attached hereto and incorporated herein by reference subject to the direction of the City or the Administrator.
2. Time of Performance. The services of Consultant are to commence upon

execution of this Agreement and shall continue until_____.

3. Compensation. Compensation to be paid to Consultant shall be in accordance with the Schedule of Charges set forth in Exhibit B, which is attached hereto and incorporated herein by reference. In no event shall Consultant's compensation exceed the amount of \$ _____ without additional written authorization from the City. Payment by City under this Agreement shall not be deemed a waiver of defects in Consultant's services, even if such defects were known to the City at the time of payment.
4. Method of Payment. Consultant shall submit monthly billings to City describing the work performed during the preceding month. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, and a description of any reimbursable expenditures. City shall pay Consultant no later than 30 days after approval of the monthly invoice by City staff. When payments made by City equal 90% of the maximum fee provided for in this Agreement, no further payments shall be made for yearly services until the final work for each audit under this Agreement has been accepted by City.
5. Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of Consultant's services, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without prior written authorization from City.
6. Termination. This Agreement may be terminated by the City immediately for

cause or by either party without cause upon fifteen days written notice of termination. Upon termination, Consultant shall be entitled to compensation for services properly performed up to the effective date of termination.

7. Ownership of Documents. All plans, studies, documents and other writings prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, except working notes and internal documents, shall become the property of the City upon payment to Consultant for such work, and the City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents, and other writings to City within three (3) days after written request.

X Licensing of Intellectual Property. This Agreement creates a nonexclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in documents or works of authorship fixed in any tangible medium of expression, including but not limited to, data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents and Data"). Consultant shall require all subcontractors to agree in writing that City is granted a nonexclusive and perpetual license for any Documents and Data the subcontractor prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents and Data. Consultant makes no such representation and warranty in regard to Documents and Data which may be provided to

Consultant by City. City shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City's sole risk.

- X Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the services under this Agreement. Nor shall such materials be disclosed to any person or entity not connected with the performance of the services under this Agreement. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs relating to project for which Consultant's services are rendered, or any publicity pertaining to the Consultant's services under this Agreement in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

8. Consultant's Books and Records.

1. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, expenditures and disbursements charged to City for a minimum period of four (4) years, or for any longer period

required by law, from the date of final payment to Consultant to this Agreement.

2. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum of four (4) years, or for any longer period required by law, from the date of termination or completion of this Agreement.
3. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Administrator, City Attorney, City Finance Director, or a designated representative of these officers. Copies of such documents shall be provided to the City for inspection at City Hall when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at Consultant's address indicated for receipt of notices in this Agreement.
4. Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, City may, by written request by any of the above-named officers, require that custody of the records be given to the City and that the records and documents be maintained by City Hall.
9. Independent Contractor. It is understood that Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the City. Consultant shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it

may have to any such rights.

10. Lobbying. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
11. Interest of Consultant. Consultant (including principals, associates, and professional employees) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

1. will conduct research and arrive at conclusions with respect to its rendition of information, advice, recommendation, or counsel independent of the control and direction of the City or any City official, other than normal agreement monitoring; and
2. possesses no authority with respect to any City decision beyond rendition of information, advice, recommendation or counsel. (FPPC Reg.

12. Professional Ability of Consultant. City has relied upon the professional training and ability of Consultant to perform the services hereunder as a material inducement to enter into this Agreement. All work performed by Consultant under this Agreement shall be under the supervision of _____ in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.
13. Compliance with Laws. Consultant shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinances and regulations.
14. Licenses. Consultant represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are required by the City for its business.
15. Indemnity. Consultant agrees to defend, indemnify and hold harmless the City, its officers, officials, agents, employees and volunteers from and against any and all claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all costs and expenses in connection therein), arising from its performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement, except for any such claim arising from the sole negligence or willful misconduct of the City, its officers, agents, employees or volunteers.

16. Insurance Requirements.

1. Consultant, at Consultant's own cost and expense, shall procure and maintain, for the duration of the Agreement, the insurance coverage and policies as set forth in Exhibit "D" attached hereto.

17. Notices. Any notice required to be given under this Agreement shall be in writing and either served personally or sent prepaid, first class mail. Any such notice shall be addressed to the other party at the address set forth below. Notice shall be deemed communicated within 48 hours from the time of mailing if mailed as provided in this section.

If to City: **Sharon Atteberry, City Administrator**
City of Oroville
1735 Montgomery Street
Oroville, CA 95965-4897

If to Consultant: _____

17. Entire Agreement. This Agreement constitutes the complete and exclusive statement of Agreement between the City and Consultant. All prior written and oral communications, including correspondence, drafts, memoranda, and representations are superseded in total by this Agreement.

18. Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

19. Assignment and Subcontracting. The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Consultant. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express prior written consent of the City. Consultant shall not

subcontract any portion of the work to be performed under this Agreement without the prior written authorization of the City. If City consents to such subcontract, Consultant shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of the City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law.

20. Waiver. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this Agreement.
21. Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.
22. Controlling Law Venue. This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Butte.
23. Litigation Expenses and Attorney's Fees. If either party to this Agreement commences any legal action against the other part arising out of this Agreement, the prevailing party shall be entitled to recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and attorneys fees.
24. Mediation. The parties agree to make a good faith attempt to resolve any disputes arising out of this Agreement through mediation prior to commencing litigation. The parties shall mutually agree upon the mediator and shall divide the costs of mediation equally. If the parties are unable to agree upon a mediator,

the dispute shall be submitted to American Arbitration Association (AAA) or its successor in interest. AAA shall provide the parties with the names of five qualified mediators. Each party shall have the option to strike two of the five mediators selected by AAA and thereafter the mediator remaining shall hear the dispute. If the dispute remains unresolved after mediation, either party may commence litigation.

25. Execution. This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.
26. Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.
27. Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee

of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

28. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, disability, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

CITY OF OROVILLE

By: _____

By: _____

Title: _____

Business License #: APPROVED

AS TO FORM:

ATTEST:

By: _____
Dwight L. Moore, City Attorney

By: _____
Sharon L. Atteberry, City Clerk