

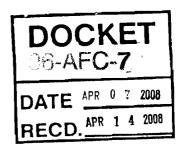
CITY MANAGER

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April 7, 2008

Mr. John Kessler, Project Manager California Energy Commission 1516 9th Street, MS-15 Sacramento, CA, 95814



Re: Humboldt Bay Repowering Project (06-AFC-7), City of Eureka's Support for PG&E's Contribution to a Public Use

Dear Mr. Kessler:

Thank you for the Energy Commission's consideration of a requirement that PG&E, as a condition of their proposed Humboldt Bay Repowering Project permit, could contribute funds toward the City of Eureka's Elk River Coastal Access project.

It is my understanding that pursuant to Section 25529 of the Warren-Alquist Act, the Commission will consider requiring a one-time contribution toward construction of the Truesdale Vista Point to Hilfiker Lane Trail component of the project in the City of Eureka. This statutory requirement will assist the City in meeting numerous goals within our General Plan and Local Coastal Plan related to Coastal Recreation and Access, General Parks and Recreation, Air Quality, Pedestrian Transportation and other goals.

Please be advised that the City of Eureka fully supports PG&E and the Commission in your efforts to assist the City in meeting our planning goals, enhancing our local recreational facilities for greater public use, and protecting the scenic and aesthetic values in our Elk River Wildlife areas. As you may know, the Elk River Coastal Access project, including the Truesdale Vista Point to Hilfiker Lane Trail, is located in the Coastal Zone, and is generally situated along the shore of Humboldt Bay at the mouth of the Elk River. The entire project lies within the Eureka city limits.

The plans and studies for the Elk River Coastal Access project have been developed and submitted for project permitting, and the required environmental review is currently in process. When complete, the trail component will provide an important link to the Humboldt Bay shoreline trail system and the CA Coastal Trail, and the entire access project will provide specific and tangible recreational, scenic and public health benefits for all citizens in the Humboldt Bay region. As proposed, the project area will remain in public use in perpetuity, will be properly operated and maintained, and will not cause a public nuisance.

A separate account has been established at the City solely to accept the PG&E contribution for the specific purpose of funding all or portions of the Truesdale to Hilfiker Lane trail. Further, the City has the ability to develop the trail component funded by PG&E regardless of whether additional funds are secured for the remaining project components.

Thank you again for your consideration of this significant contribution to our Elk River Access Project. Should you have any questions or concerns, please feel free to contact me at 707-441-4144 or dtyson@ci.eureka.ca.gov.

Sincerely,

City Manager

Cc: Amanda Stennick