

# Congress restores geothermal royalties for another year

Elizabeth Larson, Lake County News, 12-11-10

Lake County and dozens of other counties around the western United States that benefit from the proceeds of geothermal leases and royalties won a small victory this week.

On Wednesday the House of Representatives passed legislation to reverse a decision by the Office of Management and Budget and the Department of the Interior to take away geothermal royalty payments from Lake and Sonoma counties, as well as nearly 30 additional counties in six states.

HR 3082 ensures that counties will receive their share of geothermal royalties through the end of fiscal year 2011, according to a report from the office of Congressman Mike Thompson, who supported the bill.

“During these tough economic times, it is important that we ensure our local communities are able to collect these essential funds,” said Thompson (D-St. Helena). “These funds should never have been taken away and I am glad that our local governments can now use these payments to benefit our community.”

Counties use the funds for services such as public safety and road maintenance. Lake County has received the most of any county nationwide as far as geothermal royalties – around \$4.4 million for 2007 through 2009.

The funds have been used for the purchase of acreage on Mt. Konocti and this week County Administrative Officer Kelly Cox took to the Board of Supervisors a proposal to use \$150,000 in geothermal royalty funds to help fund the lake's weed and algae management efforts.

Cox said Thursday he was relieved to get the news about legislation to protect what he called an “important revenue to our county.”

He also thanked Thompson for his “quick and effective action” to get the funds restored.

It was late last year that Cox found out about the Department of Interior's budget changes that would result in about \$800,000 annually to the county being lost.

He began working with Thompson, who spent the year working to get the fund restoration into a bill.

Last August, the House of Representatives passed the Supplemental Appropriations Act of 2010, HR 4899, which included provisions giving back the revenues to counties that they received due to the Energy Policy Act of 2005. HR 4899 restored the royalties for the remainder of the 2010 fiscal year, as Lake County News has reported.

While the funds are restored for the next year, Cox is still concerned about what's ahead.

“It is clear that Department of Interior will continue efforts to take these revenues away from counties,” he said. “It is frustrating, to say the least, that we've had to go through this again so soon.”

Cox pointed out that the revenues are being generated as a result of natural resources being extracted from lands in Lake County.

He suggested the federal government has “a moral obligation to return at least a portion of these funds to our local communities.”

He added, “To the federal government, it is a very insignificant amount of money that is certainly not vital at all to the Department of Interior. But to rural local governments like Lake County, it is a very a significant and vital revenue source.”