ACC Participants Present (19)

Jim Byrne, WDFW
Clifford Casseseka, Yakama Nation
Michelle Day, NMFS
Jeremiah Doyle, PacifiCorp Energy
Pat Frazier, WDFW
Diana Gritten-MacDonald, Cowlitz PUD
David Hu, Gifford Pinchot National Forest
Mike Hudson, USFWS
LouEllyn Jones, USFWS
Eric Kinne, WDFW
George Lee, Yakama Nation
Erik Lesko, PacifiCorp Energy
Jim Malinowski, Fish First
Kimberly McCune, PacifiCorp Energy
Kate Miller, Trout Unlimited
Frank Shrier, PacifiCorp Energy
Shannon Wills, Cowlitz Indian Tribe

Chris Maynard, WDOE
Eric Schlorff, WDOE

Calendar:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 12, 2009</td>
<td>ACC Meeting</td>
<td>Merwin Hydro</td>
</tr>
<tr>
<td>February 11, 2009</td>
<td>TCC Meeting</td>
<td>Merwin Hydro</td>
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Assignments from January 8, 2009 Meeting:

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Status</th>
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<tbody>
<tr>
<td>Doyle/Bryne: Schedule Baseline Monitoring Subgroup meeting on February 4, 2009 (10:00am – 2:00pm) at WDFW, Vancouver office</td>
<td>Complete – 1/8/09</td>
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Assignments from December 11, 2008 Meeting:

<table>
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<th>Assignment</th>
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<tbody>
<tr>
<td>McCune: Submit the Aquatic Fund - Strategic Plan to the ACC for a formal 30-day review and comment period.</td>
<td>Complete – 12/12/08</td>
</tr>
<tr>
<td>Shrier: Create aquatic fund proposal full basin maps for ACC review.</td>
<td>Complete – 1/8/09</td>
</tr>
<tr>
<td>WDFW – Send comments to PacifiCorp on Baseline Monitoring Plan and schedule time after ACC January 8, 2009 ACC meeting to discuss.</td>
<td>Complete – 2/12/09</td>
</tr>
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</table>
Opening, Review of Agenda and Meeting Notes

Frank Shrier (PacifiCorp Energy) called the meeting to order at 1:00 p.m. Shrier introduced each attendee for the benefit of all on the conference call. He also reviewed the agenda for the day and informed the ACC attendees that the presentation by the Washington Department of Ecology (WDOE) has been rescheduled to March 12, 2009 due to weather conditions in Woodland, WA and north of Woodland. In addition, the Baseline Monitoring Plan discussion will be postponed until the Subgroup has had another opportunity to meet, at which time the discussion will resume at the ACC meeting on February 12, 2009. Jeremiah Doyle (PacifiCorp Energy) and Jim Bryne (WDFW) will make appropriate arrangements for the meeting place and time.

Clifford Casseseka and George Lee joined

Shrier requested comments and/or changes to the ACC Draft 12/11/08 meeting notes. LouEllyn Jones (USFWS) requested to modify the second paragraph on page 7 to read as follows:

Jones communicated to those ACC participants who have submitted pre-proposals to pretend that you are writing to the FERC.

Kimberly McCune (PacifiCorp Energy) informed the ACC attendees that she received the following edit from Michelle Day (NMFS) via email. Day requested that the last sentence on page four modified as follows:

The ACC attendees agreed that East Fork projects will be considered, if submitted.

The meeting notes were approved with the above-referenced changes at 1:20pm

Shannon Wills joined
Kate Miller joined

High Flow Event Update

Shrier informed the ACC attendees of the following:

- After reaching a peak discharge of 40,000 cfs at Merwin on January 7, 2009 inflows are subsiding and we will start to bring the river flow down to a 30,000 cfs release at the dam later today.

- Inflows continue to be higher than outflow, however, we have storage space to contain the difference.

- The area has experienced numerous land slides along highway roads complicating access and our response.

- Currently we are having some isolated side-water problems at the Swift plants that has them shut down. We have chosen to reduce the canal drain flow into the constructed channel to 14 cfs.
On January 7, 2009 a landslide impacted the Speelyai hatchery intake, basically shutting off water to the hatchery ponds. In response, fish were moved to the Merwin or Lewis River hatchery, or in the case of the 2007 kokanee, they were released directly into Merwin reservoir. Some rainbow trout and the 2008 kokanee are still on site. Enough water is available to meet their needs. PacifiCorp and WDFW are assessing the damage and actions needed to get back to service. There has been no damage to the Lewis River hatchery or the Merwin hatchery that PacifiCorp is aware of.

Eric Kinne (WDFW) communicated to the ACC attendees that they are trying to secure the intake to maintain water flow to the hatchery.

Chris Maynard joined

Visit with Federal Energy Regulatory Commission Update – TODD may need to edit

Diana Gritten-MacDonald (Cowlitz PUD) informed the ACC attendees that the Utilities met with sixteen Federal Energy Regulatory Commission (FERC) Hydro License & Compliance staff members on December 17, 2008. The Utilities explained to the FERC their compliance management systems and how each intends to comply with the license articles. The FERC complimented PacifiCorp on its compliance management system and they expressed a positive view of the ACC & TCC committees and what they are doing. Gritten-MacDonald said that the meeting went very well. In addition, the Utilities asked the FERC what kind of review turnaround time can be expected from the FERC for time sensitive material. The FERC responded that the Utilities should indicate in its submittal correspondence what date the review completion is needed and/or call the FERC directly. This will help FERC schedule their review.

Preliminary Design of Barrier Net in front of Yale Spillway

This was intended to be a PowerPoint presentation so this portion has been postponed to the February 12, 2009 ACC meeting.

Continued Review of Aquatic Fund – Strategic Plan and Administrative Procedures (September 2005, Revised January 2009) Approve changes submitted by NMFS

McCune communicated to the ACC attendees that two minor changes were submitted by Michelle Day (NMFS) via email for review and approval by the ACC (see changes on pages 7 and 10 - Attachment A).

Page 7, 3.3.2: delete text in blue highlight

Proposed project benefit to priority fish species and stocks (Chinook, Steelhead, Coho, Bull Trout, Chum, and Sea-run Cutthroat) and/or properly functioning conditions within the Lewis River basin (40 % weight):

Page 10, third paragraph: Add the text in blue highlight
Participation by ACC representatives is imperative at the Funding Selection meeting. Each ACC representative must participate, or in the case of a known absence, provide a written proxy or a written response for the project(s) voting.

The ACC approved the changes and the document is now considered final.

Study Updates

Lesko and Shrier provided the following study updates:

**Swift Constructed Channel Concept Design and Swift Upper Release Design** – No changes to the schedule; received approval from USFWS and WDFW to extend the construction window.

**Hatchery Upgrades**

*Lewis River Pond 15* – Expected construction start date is February 2009 assuming no issues with transfer of fish from Speelyai. PacifiCorp currently assessing damage from high flow event.

**Baseline Monitoring Plan** – Subgroup scheduled a meeting at WDFW, Vancouver on February 4, 2009 (10:00am – 2:00pm) WDFW comments are in draft form and will send to PacifiCorp as soon as possible.

**Monitoring and Evaluation Plan** – The official Plan is due to the ACC on or before June 26, 2009 for a 90-day review and comment period followed by the final version to the FERC on or before 6/26/2010.

Public Comment

None

Agenda items for February 12, 2009

- Review January 8, 2009 Meeting Notes
- Preliminary Design of Barrier Net in front of Yale Spillway
- Aquatic Funding Proposals – Presentations
- Baseline Monitoring Plan Discussion
- Study/Work Product Updates

Next Scheduled Meetings

<table>
<thead>
<tr>
<th>February 12, 2009</th>
<th>March 12, 2009</th>
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<tbody>
<tr>
<td>Merwin Hydro Control Center</td>
<td>Merwin Hydro Control Center</td>
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<tr>
<td>Ariel, WA</td>
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</tr>
<tr>
<td>9:00am – 3:00pm</td>
<td>9:00am – 3:00pm</td>
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</table>

Meeting Adjourned at 2:00 p.m.
Handouts

- Final Agenda
- Draft ACC Meeting Notes 12/11/08
- Attachment A – Strategic Plan and Administrative Procedures (September 2005, Revised January 2009)
1.0 Introduction

On November 30, 2004 PacifiCorp, Cowlitz PUD, and a number of interested parties reached a Settlement Agreement (SA) concerning the relicensing of the Lewis River Hydroelectric Projects. Listed within the agreement was an article for PacifiCorp and Cowlitz PUD to establish a Lewis River Aquatics Fund. Specific language from the SA is as follows:

Aquatics Fund. PacifiCorp and Cowlitz PUD shall establish the Lewis River Aquatics Fund ("Aquatics Fund") to support resource protection measures ("Resource Projects"). Resource Projects may include, without limitation, projects that enhance and improve wetlands, riparian, and riverine habitats; projects that enhance and improve riparian and aquatic species connectivity that may be affected by the continued operation of the Projects; and projects that increase the probability for a successful reintroduction program. The Aquatics Fund shall be a Tracking Account maintained by the Licensees with all accrued interest being credited to the Aquatics Fund. PacifiCorp shall provide $5.2 million, in addition to those funds set forth in Section 7.1.1, to enhance, protect, and restore aquatic habitat in the Lewis River Basin as provided below. Cowlitz PUD shall provide or cause to be provided $520,000 to enhance, protect, and restore aquatic habitat in the Lewis River Basin as provided below; provided that Cowlitz PUD’s funds may only be used for Resource Projects upstream of Swift No. 2, including without limitation the Bypass Reach. The Licensees shall provide such funds according to the schedules set forth below.

7.5.1 PacifiCorp’s Contributions.

a. PacifiCorp shall make funds available as follows: on each April 30 commencing in 2005, $300,000 per year until 2009 (a total of $1.5 million).

b. For each of the Merwin, Yale, and Swift No. 1 Projects, PacifiCorp shall make one-third of the following funds available as follows after the Issuance of the New License for that Project: on each April 30 commencing in 2010, $300,000 per year through 2014 (a total of $1.5 million); on each April 30 commencing in 2015, $100,000 per year through 2018 (a total of $400,000); and on each April 30 commencing in 2019, $200,000 per year through 2027 (a total of $1.8 million); provided that, for any New License that has not been Issued by April 30, 2009, the funding obligation for that Project shall be contributed annually in the same amounts but commencing on April 30 following the first anniversary
of Issuance of the New License for that Project.

c. PacifiCorp shall contribute $10,000 annually to the Aquatics Fund as set forth in Section 7.1.1.

7.5.2 Cowlitz PUD’s Contributions. Cowlitz PUD shall make or cause to be made funds available as follows: $25,000 per year on each April 30 following the first anniversary of the Issuance of the New License for the Swift No. 2 Project through the April 30 following the 20th anniversary of the Issuance of the New License for the Swift No. 2 Project (a total of $500,000); and a single amount of $20,000 on the April 30 following the 21st anniversary of the Issuance of the New License for the Swift No. 2 Project.

7.5.3 Use of Funds. Decisions on how to spend the Aquatics Fund, including any accrued interest, shall be made as provided in Section 7.5.3.2 below; provided that (1) at least $600,000 of such monies shall be designated for projects designed to benefit bull trout according to the following schedule: as of April 30, 2005, $150,000; as of April 30, 2006, $100,000; as of April 30, 2007, $150,000; as of April 30, 2008, $100,000; and on or before the April 30 following the fifth anniversary of the Issuance of all New Licenses, $100,000; and such projects shall be consistent with bull trout recovery objectives as determined by USFWS; (2) fund expenditures for the maintenance of the Constructed Channel (Section 4.1.3) shall not exceed $20,000 per year on average; (3) if studies indicate that inadequate “Reservoir Survival,” defined as the percentage of actively migrating juvenile anadromous fish of each of the species designated in Section 4.1.7 that survive in the reservoir (from reservoir entry points, including tributary mouths to collection points) and are available to be collected, is hindering attainment of the Overall Downstream Survival standard as set forth in Section 3, then at least $400,000 of such monies shall be used for Resource Projects specifically designed to address reservoir mortality; and (4) $10,000 annually shall be used for lower river projects as set forth in Section 7.1.1. Projects shall be designed to further the objectives and according to the priorities set forth below in Section 7.5.3.1.

7.5.3.1 Guidance for Resource Project Approval and Aquatics Fund Expenditures.

a. Resource Projects must be consistent with applicable Federal, State, and local laws and, to the extent feasible, shall be consistent with policies and comprehensive plans in effect at the time the project is proposed. These may include, but are not limited to, Washington’s Wild Salmonid Policy, the Lower Columbia River Bull Trout Recovery Plan, and the Lower Columbia Salmon Recovery and Fish & Wildlife Subbasin Plan (LCFRB 2004).

b. The Aquatics Fund shall not be used to fund Resource
Projects that any entity is otherwise required by law to perform (not including obligations under this Agreement or the New Licenses for use of the Aquatics Fund), unless by agreement of the ACC.

c. The Licensees shall evaluate Resource Projects using the following objectives:

(1) Benefit fish recovery throughout the North Fork Lewis River, with priority to federal ESA-listed species;

(2) Support the reintroduction of anadromous fish throughout the Basin; and

(3) Enhance fish habitat in the Lewis River Basin, with priority given to the North Fork Lewis River.

For the purposes of this Section 7.5, the North Fork Lewis River refers to the portion of the Lewis River from its confluence with the Columbia River upstream to the headwaters, including tributaries except the East Fork of the Lewis River.

The Licensees shall also consider the following factors to reflect the feasibility of projects and give priority to Resource Projects that are more practical to implement:

(i) Whether the activity may be planned and initiated within one year,

(ii) Whether the activity will provide long-term benefits,

(iii) Whether the activity will be cost-shared with other funding sources,

(iv) Probability of success, and

(v) Anticipated benefits relative to cost.

7.5.3.2 Resource Project Proposal, Review, and Selection.

(1) By the first anniversary of the Effective Date, the Licensees shall develop, in Consultation with the ACC, (a) a strategic plan consistent with the guidance in Section 7.5.3.1 above to guide Resource Project development, solicitation, and review; and (b) administrative procedures to guide implementation of the Aquatics Fund. Both may be modified periodically with the approval of the ACC.
(2) Any person or entity, including the Licensees, may propose a Resource Project. In addition, the Licensees may solicit Resource Projects proposals from any person or entity.

(3) The Licensees shall review all Resource Project proposals, applying the guidance set forth in Section 7.5.3.1. The Licensees shall provide an annual report describing proposed Resource Project recommendations to the ACC. The date for submitting such report shall be determined in the strategic plan defined in subsection 7.5.3.2(1) above. The report will include a description of all proposed Resource Projects, an evaluation of each Resource Project, and the basis for recommending or not recommending a project for funding.

(4) The Licensees shall convene a meeting of the ACC on an annual basis, no sooner than 30 days and no later than 60 days after distribution of the report set forth in Section 7.5.3.2(2), for Consultation regarding Resource Projects described in the report.

(5) Licensees shall modify the report on proposed Resource Projects, based on the above Consultation, and submit the final report to the ACC within 45 days after the above Consultation. Any ACC member may, within 30 days after receiving the final report, initiate the ADR Procedures to resolve disputes relating to Resource Projects. If the ADR Procedures are commenced, the Licensees shall defer submission of the final report on Resource Projects to the Commission, if necessary, until after the ADR Procedures are completed. If the ADR Procedures fail to resolve all disputes, the Licensees shall provide the comments of the ACC to the Commission. If no ACC member initiates the ADR Procedures, the Licensees shall submit the final report to the Commission, if necessary, within 45 days after submission of the final report to the ACC.

14.2.4 TCC and ACC Decision-Making Process and Limitations

(D) In no event shall the TCC or the ACC increase or decrease the monetary, resource, or other commitments made by PacifiCorp and Cowlitz PUD in this Agreement; override any other limitations set forth in this Agreement; or otherwise require PacifiCorp to modify its three Projects’ facilities without PacifiCorp’s prior written consent or require Cowlitz PUD to modify its Project’s facilities without Cowlitz PUD’s prior written
consent, which consent may be withheld in the applicable Licensee’s discretion.

PacifiCorp and Cowlitz PUD will be responsible for compiling proposals and making initial recommendations to the Lewis River Aquatic Coordination Committee (ACC). The ACC will play an important role in the discussion and final selection of projects. The Settlement Agreement calls for the Licensees to obtain the views of and attempt to reach consensus among the ACC; therefore, it is critical that the ACC have the ability to reach consensus on funded projects in a timely and well thought out manner.

2.0 Purpose

The intent of this document is two fold. First the document briefly identifies goals of the aquatic fund, provides evaluation guidance at a program level, and then outlines more specific evaluation components of resource projects such as priorities, technical questions, and policy questions. Second, this document identifies the steps to be undertaken to implement the Aquatics Fund. Process forms are included as appendices.

3.0 Funding Process Considerations

3.1 Aquatics Fund Goals:

The goal of the fund is to support resource protection measures that may include, without limitation, projects that enhance and improve wetlands, riparian, and riverine habitats; projects that enhance and improve riparian and aquatic species connectivity that may be affected by the continued operation of the Projects; and projects that increase the probability for a successful reintroduction program.

The reintroduction outcome goal of the comprehensive aquatics program contained in Section 3 of the SA is to “achieve genetically viable, self-sustaining, naturally reproducing, harvestable populations above Merwin Dam greater than minimum viable populations (“Reintroduction Outcome Goal”).”

3.2 Project Evaluation Guidance at a Program Level

The ACC and Licensees shall consider the following factors in the review of potential aquatic projects:

Proposed Projects:

- Resource projects must have specific objectives and expected outcome(s) that help attain the purposes of the Aquatic Fund.
- Resource Projects must be consistent with applicable Federal, State, and local laws.
Resource Projects, to extent feasible, shall strive to be consistent with policies and comprehensive plans, such as the Lower Columbia Salmon Recovery Plan, in effect at the time the project is proposed.

Aquatics Fund monies shall not be used to fund projects that any entity is otherwise required by law to perform, except by agreement of the ACC.

Licensees shall evaluate proposals based upon: (1) the benefit to fish recovery throughout the North Fork Lewis River with priority to ESA–listed species, (2) the support to the reintroduction of anadromous fish throughout the basin, and (3) the enhancement of fish habitat in the Lewis River Basin with priority to the NF Lewis River. (See Appendix A for geographic scope of Fund)

Licensees shall consider factors that reflect the feasibility of projects and give priority to resource projects that are more practical to implement.

Resource project must use Best Management Practices (BMPs). The ACC may identify suggested sources of BMPs, but applicants must identify what sources they are using for BMPs and how they will protect resource values.

Process Considerations (or requirements):

Any interested party may submit resource project proposals for funding.

If a representative of the ACC proposes a project for funding, he or she may participate in the ACC review of the Utilities evaluation of proposed projects, however they may not champion their own project(s) and must remove themselves if a conflict of interest arises. The intent is to allow an ACC representative to participate in the process, but to also make sure that no favoritism (perceived or otherwise) is given to ACC members.

Entity receiving Aquatic Funds must meet all state or federal permitting requirements for their project.

### 3.3 Evaluation of Resource Projects

Given the expected number of potential Aquatics Fund proposals to be submitted and the cap on funding, a mechanism to review and evaluate projects is needed. In general evaluation criteria can be grouped into five areas:

1. Consistency with Fund objectives and priorities
2. Benefits to priority fish species and stocks
3. Scientific validity and technical quality of proposed project
4. Ability for the project proponent to successfully implement proposed project
5. Cost effectiveness and timeliness

In completing the evaluation of proposals and reporting recommendations to the ACC, PacifiCorp and Cowlitz PUD will rate each proposal giving consideration to the five general evaluation criteria listed above. Given the importance that a proposed project be consistent with Fund objectives and priorities, proposed projects will be evaluated as a “Meets” or “Does not meet” against this specific criteria. If during the Pre-Proposal
review (1st Stage) the project receives a “Does not meet” response, the proposal will be dropped from further evaluation and funding. The Licensees shall document this determination in its recommendations report to the ACC.

The following sections provide information and questions to be considered in completing the “Meets/Does not meet” response or numerical rating for each general evaluation criteria. A weighting percentage is also identified per criteria. For each proposed project that Meets consistency with the Fund objective and priorities, reviewers will give a score of 1 to 5 for each remaining criteria (1 is lowest value, 5 is highest value). The weighting will then be multiplied against the score, and the addition of all weighted scores be the final score (see Appendix D for a sample evaluation sheet).

The basis for recommendation of any given project funding will be identified in a report to the ACC.

3.3.1 Consistency with Fund Objectives and Priorities (Meets or Does not meet):

1. Benefit fish recovery throughout the North Fork Lewis River, priority to federal ESA-listed species
2. Support the re-introduction of anadromous fish throughout the Basin
3. Enhance fish habitat in the Lewis River Basin, with priority given to the North Fork Lewis River.

3.3.2 Proposed project benefit to priority fish species and stocks (Chinook, Steelhead, Coho, Bull Trout, Chum, and Sea-run Cutthroat) and/or properly functioning conditions within the Lewis River basin (40 % weight):

- Does the proposal clearly describe the expected benefits of the project?
- Does the proposal clearly identify the salmonid species and stocks that would benefit from the project?
- Does the project address a limiting factor(s) to the target species, a limiting life history stage, or an important habitat process or condition?
- Will the project provide long-term benefits? Does the project provide tangible, on the ground benefits?
- Is the project generally consistent with the intent (strategies, measures, actions, and priorities) of applicable recovery and planning documents (e.g. Lower Columbia Salmon Recovery Plan)?

3.3.3 Scientific validity and technical quality of proposed project (40% weight):

- Is the problem to salmonids and the associated objectives of the proposed project clearly described?
- Does the project provide a detailed schedule with proposed end dates?
- Does the proposal employ appropriate techniques, adequate design and proper siting?
- Is it clear how the proposed project will meet its intent and purpose?
- What is the likelihood that the project will achieve stated objectives?
• Does the project provide for implementation monitoring and an appropriate amount of monitoring for biological results? How will success be demonstrated? Are the benefits or outcomes from the project measurable (e.g., number of trees planted or amount of structure placed)? What monitoring protocols will be used, if any?
• Have watershed processes and a larger global aspect been considered in developing the proposal?
• How does the project fit within the fish needs as identified through watershed planning documents, recovery plans, etc?
• Is the project dependent on other key conditions or processes? (i.e., do other watershed activities/projects need to occur prior to getting the full benefits of proposed project?)
• Does the project take into account the condition or processes of the watershed (e.g., high flow events)?
• How might other habitat protection, assessments, or restoration actions in the watershed impact the project?
• Has the project proposal received peer review, and if so, what is the content of that review?
• Does the proposal identify any negative or positive impacts to other resource areas (e.g., recreation)?

3.3.4 Ability for the project proponent to successfully implement proposed project (10% weight)
• Does proposal include both appropriate numbers of personnel and experienced team members?
• Has the applying party submitted proposals in previous years? If their proposal received funding, has it been successfully implemented?
• Does the project have support from other parties that are knowledgeable of the landscape conditions, project, and potential outcomes?
• Will the project be able to obtain the necessary permits in a timely manner?

3.3.5 Cost effectiveness and timeliness (10% weight)
• Does the project have matching funding or in-kind participation? Is there collaboration between numerous parties?
• Is the project budget identified by work effort (administration, materials, labor, etc.) and is it appropriate?
• Does the project have a reasonable cost relative to the anticipated benefits?
• Is the project self-maintaining once completed? If not, how will maintenance be achieved?
• Can the project activities be planned and initiated in one year?
4.0 Funding Process

4.1 General Process

Per the Settlement Agreement, PacifiCorp and Cowlitz PUD will make money available to the Aquatics Fund in the spring of each year as identified in Figure 4.1. There is the potential that following the Fund Process non-distributed monies may remain in the account. Likewise project withdrawals may not occur as expected due to withdrawal of a project or other circumstance. The ACC will be advised of the Aquatics Fund financial status throughout the year. Any monies not distributed shall remain in the Fund, will gain interest, and will be available for the following year’s use unless ACC parties agree to conduct a second Fund process within that same year.

Although the funding process schedule in the first year of the program may be modified, in subsequent years it will generally be conducted in the fall and early winter. In early September of each year PacifiCorp together with Cowlitz PUD will notify potential fund applicants, a list of whom PacifiCorp together with Cowlitz PUD developed in consultation with the ACC, that the Utilities are seeking pre-proposals for the following year’s funding (see Table 4.1 for activity timeline). Such notice shall inform the potential applicants of the need to (1) complete a pre-proposal form, and (2) submit it to PacifiCorp by early October. The notice shall also identify that projects will be evaluated by the following objectives (Settlement Agreement 7.5.3.1(c)):

1. Benefit fish recovery throughout the North Fork Lewis River, with priority to federal ESA-listed species;
2. Support the reintroduction of anadromous fish throughout the Basin; and
3. Enhance fish habitat in the Lewis River Basin, with priority given to the North Fork Lewis River

Applicants will be requested to complete a short (2-3 pages) pre-proposal form that briefly describes the proposed project, expected results and benefits, and implementation details (see Appendix B for form). Upon receipt of pre-proposal, PacifiCorp will acknowledge receipt to author. It is the responsibility of the author to assure delivery of pre-proposal to PacifiCorp.

PacifiCorp will compile and provide Cowlitz PUD copies of pre-proposals and with Cowlitz PUD evaluate pre-proposals. To minimize any bias, individual reviewers (subject matter experts from the Utilities) will evaluate and score all proposals. PacifiCorp together with Cowlitz PUD shall prepare a report summarizing the evaluation outcome and provide it to the ACC by early November. Included in the report will be a list of the pre-proposals and the Utilities ranking of pre-proposals including a narrative explaining ranking and funding recommendations (all submitted pre-proposal forms will be attached to report). After gathering input from the ACC, PacifiCorp and Cowlitz PUD will finalize pre-proposal selection. Based on the number of projects, individual project cost, and funding available, PacifiCorp together with Cowlitz PUD will notify applicants of their selection for further consideration. This selection should occur by early December.
Upon receiving notice that a project has been selected for further consideration, the applicant will have until mid January to complete and submit a full proposal (see Appendix C for form). Shortly thereafter, Resource Project proponents will be given time at an ACC meeting (“Proposed Project Information Meeting”) to present their projects and answer any questions. Following this meeting, PacifiCorp and Cowlitz PUD will evaluate and rank the proposals and report conclusions in a report to the ACC. The report will include a description of all proposed Resource Projects, an evaluation and ranking of each Resource Project, and the basis for recommending or not recommending a project for funding. The Utilities will Consult with the ACC and give ACC representatives a 30-day period to review and provide comment on conclusions. ACC responses will be tallied into a Draft Selection matrix. The matrix will identify by individual ACC entity, projects they selected for funding, projects not selected, and any related comments. Parties agree that the matrix provides initial responses and entities may change their responses at any time up to the final decision point. The matrix will be provided to ACC representatives no later than 7 days prior to the Funding Selection meeting.

To allow timely selection of projects, the ACC will conduct a Funding Selection meeting. The meeting is to be no sooner than 30 days and no later than 60 days after distribution of the report. The purpose of the meeting is to reach consensus on those projects that are to receive funding from the Lewis River Aquatics Fund. It is the intent of the Settlement Agreement Parties that the ACC shall strive to operate by consensus and in the case of the Aquatics Fund, strive to reach agreement on Resource Projects to be funded. “Consensus” for funding of a project is defined per the Lewis River Settlement Agreement definition: ““Consensus means that all Parties participating in a committee or other decision-making group consent to a decision. Consent does not necessarily imply that a Party agrees completely with a particular decision, just that the Party is willing to go along with the decision rather than block the action.” If consensus is not achieved at the meeting, additional meetings will be scheduled and conducted as soon as possible.

Participation by ACC representatives is imperative at the Funding Selection meeting. Each ACC representative must participate, or in the case of a known absence, provide a written proxy or a written response for the project(s) voting. Meeting absence will only be accepted under unforeseen circumstances. If such a condition occurs, the Utilities will contact absent representative and identify the consensus outcome of the Funding Selection meeting. If the absent representative objects to the meeting outcome, the Utilities will immediately schedule and conduct another ACC meeting.

At the Funding Selection meeting, the facilitator shall not allow questions to be asked of the Project proponent. The intent of the meeting is to have thoughtful discussions on the merit and benefit and funding of proposed projects rather than allowing a proponent additional time to promote their project. This process should ensure equal consideration to all projects whether the proponent is present or not. Once the ACC has consensus on the list of projects to receive funding, the Utilities will submit the list to FERC. The
Utilities will notify the ACC and project owners upon FERC’s response.

As provided in the Settlement Agreement, any disputes are to be resolved as expeditiously and informally as possible, and that issues within the scope of the ACC are discussed in those committees before being referred to the ADR Procedures. Any disputes among ACC members shall be resolved in accordance with the Settlement Agreement.

For each selected FERC approved project, PacifiCorp will distribute funding according to an invoiced time and materials basis, with a not-to-exceed amount for the total project. Project proponents will be responsible to include a report of activities for invoiced amount. Upon project completion and prior to final invoice payment, project proponent, the utilities representatives, along with ACC representatives if they so choose, shall visit the project and conduct a project close-out review.

5.0 Review of Funding Process

This document has been prepared in Consultation with the ACC representatives to meet identified obligations in the Settlement Agreement. As provided in the Settlement Agreement, this document which includes both the Aquatic Fund strategic plan and administrative aspects may be modified periodically with the approval of the ACC.
<table>
<thead>
<tr>
<th>Activity</th>
<th>Target Milestone Date</th>
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<tbody>
<tr>
<td>Submit Request For Pre-Proposal Forms</td>
<td>Early September</td>
</tr>
<tr>
<td>Pre-Proposal Forms due</td>
<td>Early October</td>
</tr>
<tr>
<td>Pre-Proposal Listing and Evaluation Report Submitted to ACC</td>
<td>Early November</td>
</tr>
<tr>
<td>Pre-Proposal Report Comments due from ACC</td>
<td>Late November</td>
</tr>
<tr>
<td>Finalize List of Selected Projects for Additional Consideration</td>
<td>Early December</td>
</tr>
<tr>
<td>Submit Request For Proposals to Selected Applicants</td>
<td>Early December</td>
</tr>
<tr>
<td>Proposals due</td>
<td>Mid January</td>
</tr>
<tr>
<td>Conduct Proposed Project Information Meeting (Opportunity for project proponent to present project information to ACC)</td>
<td>February ACC meeting</td>
</tr>
<tr>
<td>Proposal Evaluation Report Submitted to ACC (30 day review)</td>
<td>Mid February</td>
</tr>
<tr>
<td>Proposal Report Comments due to Utilities</td>
<td>Mid March</td>
</tr>
<tr>
<td>Utilities provide Draft Selection matrix to ACC for review</td>
<td>Late March</td>
</tr>
<tr>
<td>Conduct Project Selection Meeting (Finalize list of projects to receive funding pending FERC’s approval)</td>
<td>April ACC meeting</td>
</tr>
<tr>
<td>Submit Project Selection Report to FERC</td>
<td>Mid April</td>
</tr>
<tr>
<td>FERC Approval of projects</td>
<td>May</td>
</tr>
<tr>
<td>Notify Project Funding to Recipients</td>
<td>May</td>
</tr>
<tr>
<td>Funding Available for Invoicing</td>
<td>June</td>
</tr>
</tbody>
</table>
Appendix A
Geographic scope of Aquatic Fund

(See attached)
Appendix B

PRE- PROPOSAL FORM -
Lewis River Aquatic Fund

Form Intent:
To provide a venue for an applicant to clearly indicate the technical basis and support for proposed project. Specifically the project’s consistency with recovery plans, Settlement Agreement Fund objectives, technical studies and assessments which support the proposed action and approach.

Proposal format:
Please complete the following form for each proposal. Maps, design drawings and other supporting materials may be attached. The request is to be brief in response with a total completed form length of no more than 3 pages of text.

The deadline for Pre-Proposal Form submission is mm/dd/yy. Please submit materials to:

Frank Shrier
PacifiCorp – LCT 1500
825 NE Multnomah
Portland, OR 97232

1. Applicant organization.

2. Organization purpose

3. Project manager (name, address, telephone, email, fax).

   Note: Please attach a resume or other description of the education and experience of the persons responsible for project implementation.

4. Project Title

5. Summary of Project proposal

   Note: Please include description of how project addresses Lewis River Aquatic Fund priorities and identify any impacts to other resource areas (e.g. wildlife, recreation, etc.).

6. Project location (including River/Stream and Lat/Long coordinates if available).
7. Expected products and results (Please attach any drawings).

8. Benefits of proposed Project

9. Project partners and roles.

10. Community involvement (to date and planned).

11. Procedure for monitoring and reporting on results.

12. Project schedule (anticipated start date, major milestones, completion date).

13. Funding requested (estimated cost for project design, permitting (including necessary resource surveys), construction, and monitoring).

14. Type and source of other contributions (Identify cash (C) and/or in-kind (IK), and status, pending (P) or confirmed (Co)).

15. If you have technical assistance needs for this project, please briefly describe such needs.
Appendix C

PROPOSAL FORM -
Lewis River Aquatic Fund

Form Intent:
To provide a venue for an applicant to clearly indicate the technical basis and support for proposed project. Specifically the project’s consistency with recovery plans, SA Fund objectives, technical studies and assessments which support the proposed action and approach.

Proposal format:
Please complete the following form for your proposal. Maps, design drawings and other supporting materials may be attached.

The deadline for Proposal Form submission is mm/dd/yy. Please submit materials to:

Frank Shrier
PacifiCorp – LCT 1500
825 NE Multnomah
Portland, OR 97232

1. Project Title

2. Project Manager

3. Identification of problem or opportunity to be addressed

   Summarize information about the problem or opportunity addressed by your proposal.

4. Background

   Provide information related to how this project fits into greater watershed objectives and any previously collected information at the project site (e.g. fish surveys, habitat delineation, etc)

5. Project Objective(s)

   State the objectives of your proposal including how the project is consistent with Aquatics Fund objectives and recovery plans. Clearly describe the biological benefits and expected outcome of your project. Describe the technical basis for the objectives including the identification of any supporting technical references. Identify biological metrics to help quantify the benefit of the project.
6. **Tasks**

State the specific actions which must be taken to achieve the project objectives.

7. **Methods**

Describe methods to be used. When using Best Management Practices (BMPs) identify sources of BMPs and how they will protect resource values.

8. **Specific Work Products**

Identify specific deliverable results of the project. Project managers will be required to provide status updates with submission of project invoices.

9. **Project Duration**

a. Identify project duration. Note that duration of a project funded from Fiscal Year 20xx appropriations may extend beyond the end of the fiscal year.

b. Provide a detailed project schedule to include:
   - Initiation of project.
   - Completion date for each milestone or major task.
   - Project close-out site visit (with PacifiCorp, Cowlitz PUD, and ACC representatives)

10. **Permits**

Identify any applicable permits and resource surveys required for project. Please include timeline for obtaining and any action taken to-date. Applicant will be responsible for securing all such necessary permits. Landowner permission is required prior to finalization of a Funding Agreement with PacifiCorp.

On-the-ground (dirt moving) projects will be required to be in compliance with Sections 401 and 404 of the Clean Water Act, Sections 7 and 10 of the Endangered Species Act, and the National Historic Preservation Act of 1966, as well as Department of the Interior regulations on hazardous substance determinations. Project site surveys may be required in order to comply with these and other regulations.

11. **Matching Funds and In-kind Contributions**

If applicable, describe any matching funds and/or in-kind contributions that you have secured or have requested through other means. Matching funds are those funds contributed to the project from other funding sources. In-kind contributions may include donated labor, materials, or equipment. Please be specific in your description of contributions and use of volunteers (e.g. ACE construction is donating 8 hours of backhoe operation including operator).

12. **Peer Review of Proposed Project**
It is encouraged that the proposal be reviewed by an independent resource professional prior to submission for funding. Focus of such review should be on biological value and proposed methodology. Please note who completed the review and contact information. This does not have to be a third party review, and can come from someone associated with the sponsoring organization.

13. **Budget**

Provide a **detailed** budget for the project stages (Final design, Permitting, Construction, Monitoring/Reporting) by work task. Include:

- Personnel costs
  - Labor and estimated hours for each project employee
- Operating expenses
  - Supplies and materials
  - Mileage
  - Administrative overhead

If in-kind contributions have been acquired, please note contributions according to project stage within the budget.

14. **Photo Documentation (Per National Marine Fisheries Service’s Biological Opinion for Relicensing of the Lewis River Hydroelectric Projects):**

Identify process or methodology project will include to provide photo documentation of habitat conditions at the project site before, during, and after project completion.

a. Include general views and close-ups showing details of the project and project area, including pre- and post-construction.

b. Label each photo with date, time, project name, photographer's name, and documentation of the subject activity.
## Appendix D

**Lewis River Aquatics Fund – Individual Project Evaluation Sheet**

For each Evaluation Criteria listed below, a determination of “meets” or “does not meet” or a score of 1 to 5 is assigned by project evaluator. If during the Pre-Proposal review the project receives a “does not meet” response to any “Consistency with Fund Objectives and Priorities” component, the proposal will be dropped from further evaluation and funding. A 1 is the lowest score (does not or very unlikely to meet objectives), a 5 the highest score (greater likelihood of meeting objectives). Scores are multiplied by the assigned weighting then totaled for a single project score.

### A. Consistency with Fund Objectives and Priorities (Meets or Does not meet):

1. Benefit fish recovery throughout the North Fork Lewis River, priority to federal ESA-listed species (Bull Trout, Chinook, Steelhead, and Chum)
2. Support the re-introduction of anadromous fish throughout the Basin (Spring Chinook, Winter Steelhead, Coho, and Sea-run Cutthroat)
3. Enhance fish habitat in the Lewis River Basin, with priority given to the North Fork Lewis River.

### B. How does the project benefit priority fish species and stocks? (Spring Chinook, Winter Steelhead, Coho, Bull Trout, and Sea-run Cutthroat) (40 % weight):

- Does the proposal clearly describe the expected fish benefits of the project?
- Does the proposal clearly identify the salmonid species and stocks that would benefit from the project?
- Does the project address a limiting factor(s) to the target species, a limiting life history stage, or an important habitat process or condition?
- Will the project provide long-term benefits? Does the project provide tangible, on-the-ground benefits?
- Is the project generally consistent with the intent (strategies, measures, actions, and priorities) of applicable recovery and planning documents (e.g. Lower Columbia Salmon Recovery Plan)?

<table>
<thead>
<tr>
<th>Score = _____ multiplied by 4.0 = _____</th>
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</table>

### C. Scientific validity and technical quality of proposed project (40% weight):

<table>
<thead>
<tr>
<th>Score = _____ multiplied by</th>
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</table>
- Is the problem to salmonids and the associated objectives of the proposed project clearly described?
- Does the proposal employ appropriate methods, adequate design and proper siting?
- Is it clear how the proposed project will meet its stated purpose and objectives?
- Is it likely that the project will achieve stated objectives?
- Does the project provide for implementation monitoring? If so what monitoring protocols will be used? Are the benefits or outcomes from the project measurable (e.g. number of trees planted or amount of structure placed)?
- Have watershed processes and a larger global aspect been considered in developing the proposal?
- How does the project fit within the aquatic needs as identified through watershed planning documents, recovery plans, etc?
- Has the project proposal received peer review?
- Does the proposal identify any negative or positive impacts to other resource areas (e.g. wildlife, recreation, etc.)?

### D. Ability for the project proponent to successfully implement proposed project (10% weight)
- Does proposal include both appropriate numbers of personnel and experienced team members?
- Has the applying party submitted proposals in previous years? If their proposal received funding, has it been successfully implemented?
- Will the project be able to obtain the necessary permits in a timely manner?

Score = _____ multiplied by 1.0 = _____

### E. Cost effectiveness and timeliness (10% weight)
- Does the project have matching funding or in-kind participation? Is there collaboration between numerous parties?

Score = _____ multiplied by 1.0 = _____
- Is the project budget identified by work effort (administration, materials, labor, etc.) and is it appropriate?
- Does the project have a reasonable cost relative to the anticipated benefits?
- Is the project self-maintaining once completed? If not, how will maintenance be achieved?
- Can the project activities be planned and initiated in one year?

| Total Weighted Score | XX |