

Aquatic Funds – Strategic Plan and Administrative Procedures

Prepared by PacifiCorp and Cowlitz PUD

September 2005 (revised January 2009, September 2013, August 2016 and August 2017)

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 Settlement Agreement 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 Pre-Proposals, draft final Proposals and final 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 ACC will be responsible for completing the evaluation form for the Pre- and final Proposals. 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:

- Benefits to priority fish species and stocks reintroduced to or originating from upstream of Merwin Dam, with emphasis on Spring Chinook. 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.
- ACC shall evaluate Proposals based upon: (1) “benefit to fish recovery throughout the North Fork Lewis River, with priority to 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 NF Lewis River”. (See **Figure 1** for geographic scope of Fund)
- ACC shall consider factors that reflect the feasibility of projects and give priority to resource projects that are more practical to implement. ACC shall consider following factors: (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”.
- 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 the organization of an ACC representative 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 projects(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 Resource 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 six areas to reflect the feasibility of projects and give priority to Resource Projects that are more practical to implement.

1. Consistency with Fund objectives and priorities
2. Benefits to priority fish species and stocks reintroduced to or originating from upstream of Merwin Dam, with emphasis on spring chinook.
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
6. Higher priority will be given to Resource Projects that provide for benefits to Recovery Plan priority fish species and stocks reintroduced to or originating from upstream of Merwin Dam, with emphasis on Spring Chinook

In completing the evaluation of Proposals and reporting recommendations to the ACC, PacifiCorp and Cowlitz PUD will rate each Proposal giving consideration to the six (6) 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 Pre-Proposal will be dropped from further evaluation and funding. The Licensees shall document this determination in its recommendations evaluation matrix/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 **Attachment D** for a sample evaluation sheet).

The basis for recommendation of any given project funding will be identified in an evaluation matrix/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 (40 % weight):

- Does the project benefit priority fish species and stocks reintroduced to or originating from upstream of Merwin Dam, with emphasis on Spring Chinook? Resource projects must have specific objectives and expected outcome(s) that help attain the purposes of the Aquatic Fund.
- Does the Proposal clearly identify the salmonid species and stocks that would benefit from the project?
- Does the Proposal clearly describe the expected fish benefits of 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 to salmonid species and/or to their habitat? 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) as identified through watershed planning documents, recovery plans, etc.?

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

- Are the associated objectives of the proposed project clearly described?
- Does the Proposal employ appropriate methods, adequate design and proper siting?
- Does the preliminary project design have site plans, plan view drawings, and profile and cross section of important project locations showing water surface elevations relevant to the project design including design flows?
- Is it clear how the proposed project will meet its stated purpose and objectives?
- 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 been considered in developing the Proposal?
- How does the project fit within the aquatic needs and habitat limiting factors 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?
- Does the peer review demonstrate an adequate review of the preliminary project design and support the method and siting? This does not have to be a third party review, and can come from someone associated with the sponsoring organization.
- Are there any negative or positive impacts to other resource areas (e.g. wildlife, recreation, etc.)?

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 to the Lewis River Aquatic Fund or other sources, for example, SRFB? 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?
- Does the project provide a detailed schedule with proposed end dates?

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 **Table 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 late August 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 late September. 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 (5 pages) Pre-Proposal form that briefly describes the proposed project, expected results and benefits, and implementation details (see **Attachment 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 and the ACC copies of Pre-Proposals for review and evaluation. To minimize any bias, individual reviewers (subject matter experts from the Utilities and the ACC) will evaluate and score all Proposals. PacifiCorp together with Cowlitz PUD shall prepare a comment matrix/report summarizing the evaluation outcome and provide it to the ACC by the October ACC meeting. Included in the evaluation matrix/report will be a list of the Pre-Proposals and the Utilities and ACCs ranking of Pre-Proposals including a narrative explaining ranking and funding recommendations (all submitted Pre-Proposal forms will be attached to the evaluation matrix/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 the ACCs selection for further consideration. This selection notification should occur by early November.

Upon receiving notice that a project has been selected for further consideration, the applicant will have until mid-December to complete and submit a draft Full Proposal (see **Attachment C** for form). Shortly thereafter, Resource Project proponents will be given time at the January ACC meeting (“Proposed Project Information Meeting”) to present their projects and answer any questions. Following this meeting, the ACC will provide the applicant any additional questions or request for clarification in written format. PacifiCorp will forward any requests to the Proponent. The proponent will provide a written response to request and include as an appendix to the final full proposal. Any changes to construction methods, design and/or siting should be incorporated into the final full proposal using track changes. The final full proposal will be submitted to PacifiCorp by late January. PacifiCorp, Cowlitz PUD and the ACC will evaluate and rank the Proposals and provide conclusions in an evaluation matrix/report to the ACC by the February ACC meeting. The evaluation matrix/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. The ACC will have until the first of March to provide PacifiCorp their evaluation sheets for the proposed final projects. 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 evaluation matrix/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. If a representative is absent due to unforeseen circumstances 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 notify the project owners and submit the list to the FERC. (*Note: FERC defers project selection to the ACC*).

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 4.1. Funding Process Timeline

Activity	Target Milestone Date
Submit Request For Pre-Proposal Forms	Late August
Pre-Proposal Forms due	Late September
Pre-proposal forms distributed to ACC & Utilities	Late September
*ACC submits Pre-Proposal Listing and Evaluation Sheets (Attachment D). Discuss evaluation and select pre-proposals for further consideration	October ACC meeting
ACC members may provide written clarification, suggestions, comments or questions for Selected Projects to the Utilities for inclusion in the Request For Full Proposals.	Late October
Submit Request For Draft Full Proposals to Selected Applicants	Early November
Draft Full Proposals due (<i>Utilities will compile and email to ACC, this is when the ACC should be discussing internally with their respective agencies, block out time early</i>)	Mid-December
Conduct Proposed Project Information Meeting	January ACC meeting
ACC members provide written request for clarification of project information if questions not answered in previous meeting.	1 week after January ACC meeting
Final Full Proposals due (ACC requests for clarification need to be included as an Appendix)	Late January
Proposal Evaluation Sheet (Attachment D, Part B-E) Submitted to ACC for 30-day review	Early February
ACC Proposal Evaluation Sheet (Attachment D, Part B-E) due to Utilities	March 1
*Conduct Project Selection Meeting	March ACC meeting
Provide add'l 7-day review period for absentee ACC participants, if needed	Third Thursday in March
Submit Project Selection Report to FERC	By April 15th

*Project proponents not allowed to attend this meeting.

Lewis River Settlement Agreement -

- PacifiCorp Contributions (Merwin, Yale and Swift No. 1)
- Cowlitz PUD Contributions (Swift No. 2)

Additional Notes from Settlement Agreement

- 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.
- Within 180 days after Issuance of the New License for Merwin Project and annually thereafter, PacifiCorp shall contribute \$10,000 to the Aquatics Fund earmarked for LWD projects in the mainstem of the Lewis River below Merwin Dam that benefit anadromous fish.
- *PUD - \$25k per year thru the April 30 following the 20th anniversary of the Issuance of the New License for Swift No. 2. A single amount of \$20k on the April 30 following the 21st anniversary of the Issuance of the New License.

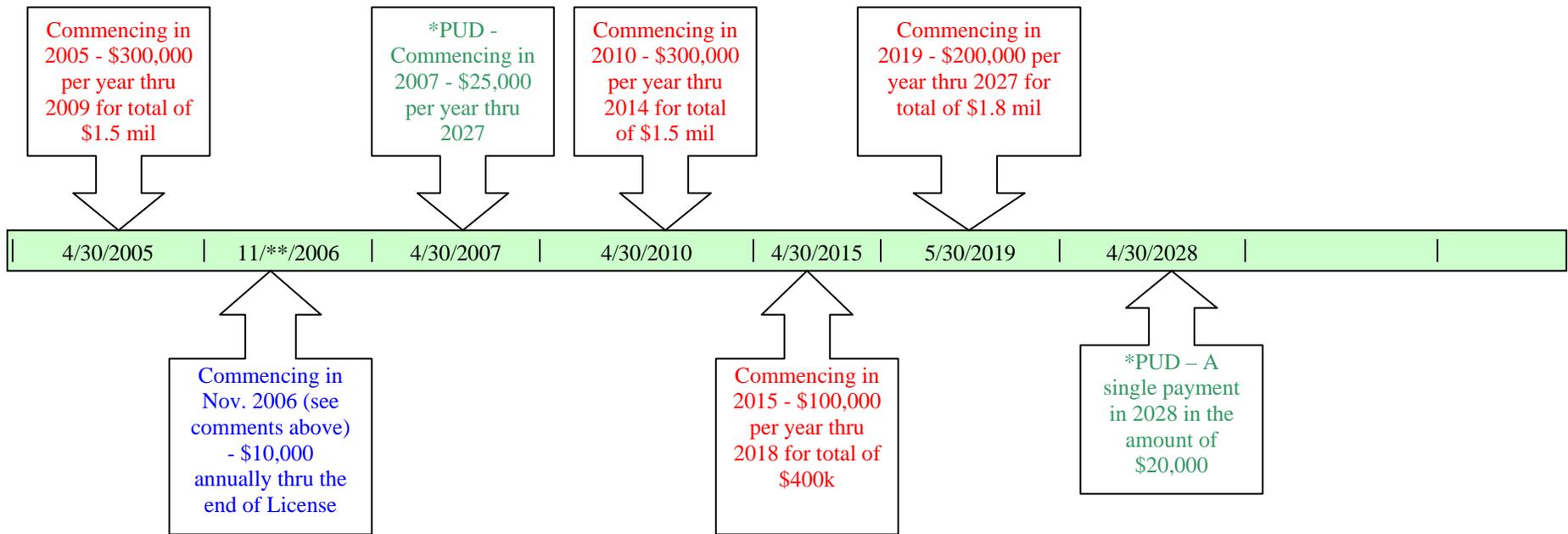


Figure 4.1

