

**Revised FINAL Meeting Notes**  
**Lewis River License Implementation**  
**Terrestrial Coordination Committee (TCC) Meeting**  
**December 9, 2009**  
**Conference Call**

**TCC Participants Present: (13)**

Ray Croswell, RMEF  
 Kendel Emmerson, PacifiCorp Energy  
 Diana Gritten-MacDonald, Cowlitz PUD  
 Eric Holman, WDFW  
 Curt Leigh, WDFW  
 Kimberly McCune, PacifiCorp Energy  
 Kirk Naylor, PacifiCorp Energy  
 Bob Nelson, RMEF  
 Nathan Reynolds, Cowlitz Indian Tribe  
 Bill Richardson, RMEF  
 Mitch Wainwright, USDA Forest Service

Tom Tuchmann, US Forest Capital  
 Cherie Kearney, Columbia Land Trust

**Calendar:**

January 13, 2010	TCC Meeting	Merwin Hydro Control Center
February 10, 2010	TCC Meeting	Merwin Hydro Control Center

<b>Assignments from December 9, 2009 Meeting:</b>	<b>Status</b>
Leigh and Naylor: Exchange the contact information for their respective public information officers.	Leigh complete – 12/9/09 Naylor complete - 12/11/09
McCune: Inform the TCC when the press release has been issued to the general public.	Per Naylor on 1/13/10 – PacifiCorp will coordinate with RMEF publication release in Spring 2010

<b>Assignments from November 10, 2009 Meeting:</b>	<b>Status</b>
McCune: Extract excerpts from the Lewis River Settlement Agreement relative to the Yale, Lewis River and Swift Funds and email to the TCC participants to aid them with evaluating the Rain Creek Ranch opportunity.	Complete – 11/12/09

Naylor: Contact Columbia Land Trust and request a Swift lands update for the December TCC meeting.	Complete – 11/13/09; PE meeting with CLT on 12/01/09
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<b>Assignments from October 14, 2009 Meeting:</b>	<b>Status</b>
TCC should review and provide comment on advertised Rain Creek parcel in terms of its worthiness of pursuit, and they should let us know the benefits of acquisition. Does expense fit into Yale, Lewis River or Swift Funds if it were considered?	ALL Complete. Four comments were received (USFS, RMEF, WDFW and Cowlitz Indian Tribe). No further action is planned at this time.

<b>Parking lot items from February 10, 2006 Meeting:</b>	<b>Status</b>
Conservation Agreement – what is wanted?	Ongoing – 4/28/06

### **Review of Agenda and Finalize Meeting Notes**

Kirk Naylor (PacifiCorp Energy) called the meeting to order at 9:05am. Naylor asked if the TCC attendees had any additions or changes to the agenda. No additions or changes were requested.

Naylor reviewed the TCC Draft November 10, 2009 meeting notes and asked for any comments and/or additional changes. The TCC meeting notes were approved without change at 9:10am.

### **Swift Land Update Discussion**

Tom Tuchmann (Forest Capital) provided a lands update relating to a certain parcel in the Swift area which is considered confidential and proprietary and not for public viewing.

Tuchmann also informed the TCC attendees that Columbia Land Trust has completed its services as outlined in the current contract and are discussing extending/modifying its contract with PacifiCorp Energy.

### **Tuchmann and Kearney departed**

### **Yale Land Update Discussion**

Naylor informed the TCC attendees that closing will take place next week on that certain property of interest. Ray Crosswell (RMEF) communicated that he and Naylor will conduct a final walk-through on Friday, December 11, 2009.

### **Draft Yale Property Acquisition Press Release**

Naylor communicated to the TCC attendees that the content of the handout titled, *Talking Points for Yale Land Acquisition* ([Attachment A – Confidential](#)) has been prepared by PacifiCorp’s communications department; however, input is also requested from the TCC. After review and

discussion (the details of which is considered confidential and not for public viewing at this time), the TCC suggested minor edits which Naylor will incorporate into the document for re-submittal to PacifiCorp's communications department, WDFW communications department and RMEF.

Upon general discussion about other State resources for distributing details of the press release to the public Curt Leigh (WDFW) and Naylor will exchange the contact information for their respective public information officers so they can communicate about the best approach. The final talking points will be distributed to those TCC participants who have signed a confidentiality agreement.

### **Discuss Year End TCC Accounting**

Naylor expressed to the TCC attendees that interest has yet to be calculated on a number of the attached fund trackers ([Attachment B](#)), but will be updated at year end 2009. Interest calculation is in accordance with the Lewis River Settlement agreement as follows:

**“Adjusted for Inflation” means that the stated dollar amount shall be adjusted according to the following formula:**

$$AD = D \times (NGDP/IGDP)$$

WHERE:

AD = Adjusted dollar amount as of April 30 of the year in which the adjustment is made.

D = Dollar amount prior to adjustment.

IGDP = GDP-IPD for the fourth quarter of the year prior to the previous April 30 adjustment date.

NGDP = GDP-IPD for the fourth quarter of the year prior to the current April 30 adjustment date.

“GDP-IPD” is the value published for the Gross Domestic Product Implicit Price Deflator by the U.S. Department of Commerce, Bureau of Economic Analysis (being on the basis of 2000 = 100), in the third month following the end of the applicable quarter. If that index ceases to be published, any reasonably equivalent index published by the Bureau of Economic Analysis may be substituted by the Parties. If the base year for GDP-IPD is changed or if publication of the index is discontinued, the Parties shall promptly make adjustments or, if necessary, select an appropriate alternative index to achieve the same economic effect.

If a sum is stated in 2003 dollars, then the first adjustment shall be as of April 30, 2004. If a sum is stated in 2004 dollars, then the first adjustment shall be as of April 30, 2005.

### **New Topics/Issues**

## 2010 TCC Meeting Schedule

McCune recommended continuing the TCC meetings on the second Wednesday of each month through 2010, unless determined otherwise by the TCC. The TCC attendees agreed that this is an acceptable schedule.

### Next Meeting's Agenda

- Review of 12/09/09 Meeting Notes
- Yale and Swift Lands Update
- Discuss year end accounting

### Public Comment Opportunity

No public comment was provided.

### Next Scheduled Meetings

January 13, 2010	February 10, 2010
Merwin Hydro Control Center	Merwin Hydro Control Center
Ariel, WA	Ariel, WA
9:00am – 3:00pm	9:00am – 3:00pm

Meeting adjourned at 10:05 am

### Handouts

- o Agenda
- o Draft meeting notes from 11/10/09
- o [Attachment A](#) - Talking Points for Yale Land Acquisition Press Release, dated December 9, 2009 (**Confidential**), *not for public viewing at this time*
- o [Attachment B](#) – Lewis River TCC Fund Tracker, dated December 9, 2009

Lewis River WHMP 2009 Budget as of 11/19/09

TASKS	License Year Calendar Year	1 2009 BUDGET	SAP Cost to Date 11/19/2009	DIFFERENCE
Administration	Cost	\$ 11,000.00	\$ 23,793.69	\$ (12,793.69)
	Percent of Budget	3.51%	7.6%	
	Labor Hours	140		
	Percent of Labor	4.14%		
Farmland, Meadow, Idle Areas	Cost	\$ 40,800.00	\$ 27,356.58	\$ 13,443.42
	Percent of Budget	13.02%	8.1%	
	Labor Hours	436		
	Percent of Labor	12.88%		
Orchard	Cost	\$ 9,925.00	\$ 7,977.38	\$ 1,947.62
	Percent of Budget	3.17%	2.5%	
	Labor Hours	125		
	Percent of Labor	3.69%		
Riparian	Cost	\$ 3,450.00	\$ 1,474.57	\$ 1,975.43
	Percent of Budget	1.10%	0.5%	
	Labor Hours	10		
	Percent of Labor	0.30%		
Shrubland	Cost	\$ 6,000.00	\$ 18,654.44	\$ (12,654.44)
	Percent of Budget	0.00%	5.5%	
	Labor Hours	80		
	Percent of Labor	2.36%		
Old-Growth	Cost	\$0.00	0	0
	Percent of Budget	0.00%		
	Labor Hours	0		
	Percent of Labor	0.00%		
Invasive Plant Species	Cost	\$ 18,025.00	\$ 4,069.73	\$ 13955.27
	Percent of Budget	5.75%	1.3%	
	Labor Hours	107		
	Percent of Labor	3.16%		
Transmission Line Right-of-Way	Cost	\$ 11,550.00	\$ 10,317.79	\$ 1,232.21
	Percent of Budget	3.69%	3.0%	
	Labor Hours	154		
	Percent of Labor	4.55%		
Wetlands	Cost	\$ 8,400.00	\$ 7,030.75	\$ 1,369.25
	Percent of Budget	2.68%	2.2%	
	Labor Hours	112		
	Percent of Labor	3.31%		
Unique Area	Cost	\$ 1,800.00	\$ 3,029.65	\$ -1229.65
	Percent of Budget	0.57%	0.8%	
	Labor Hours	24		
	Percent of Labor	0.71%		
Forestland	Cost	\$ 174,020.00	\$ 174,769.46	\$ (749.46)
	Percent of Budget	55.53%	55.7%	
	Labor Hours	1994		
	Percent of Labor	58.91%		
Raptor	Cost	\$14,125.00	\$ 20,068.76	\$ (5,943.76)
	Percent of Budget	4.51%	6.4%	
	Labor Hours	95		
	Percent of Labor	2.81%		
Monitoring	Cost	\$0.00	0	0
	Percent of Budget	0.00%		
	Labor Hours	0		
	Percent of Labor	0.00%		
Public Access Management	Cost	\$14,300.00	\$ 6,902.57	\$ 7,397.43
	Percent of Budget	4.56%	2.00%	
	Labor Hours	108		
	Percent of Labor	3.19%		
<b>Total Cost</b>		<b>\$313,395.00</b>	<b>\$ 305,446.31</b>	<b>\$ 7,949.63</b>
<b>Total Percent of Budget Spent</b>		98.08%		
<b>Total Labor Hours</b>		3385		
<b>Total Labor Cost</b>				

Remaining Funds from Previous Year		\$0.00
Annual WHMP Budget	WHMP Acres1	10,085
	Cost Per Acre2	\$31.08
	Sum Total	\$313,398.43
Additional HEP Funding		\$0.00
<b>Total Budget (Annual + Remaining)</b>		<b>\$313,398.43</b>

<b>Lewis River License Implementation</b> <b>Lewis River LWD Fund</b> <b>Section 7.1.1</b>	Funding Start Date: 12/26/08
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Release Date	Expense	Balance	Notes
			Unspent balance in any year shall be carried forward
11/25/08		\$ 2,000.00	7.1.1 Large Woody Debris Program, ILR-LWD
12/25/08		\$ 10,000.00	7.1.1 LWD projects in the mainstem below Merwin Dam
12/3/08	\$ 2,000.00		Chilton Logging - move LWD from Swift boat launch to muddy river access road
4/1/09		\$ 2,000.00	7.1.1 Large Woody Debris Program, ILR-LWD
4/10/09	\$ 2,000.00		Chilton Logging - move LWD for delivery to LCFEG
12/25/09		\$ 10,000.00	7.1.1 LWD projects in the mainstem below Merwin Dam
<b>Total Spent to Date:</b>		<b>\$ 4,000.00</b>	
<b>Balance Remaining:</b>		<b>\$ 20,000.00</b>	

Within 180 days after Issuance of the New License for the Merwin Project and annually thereafter, PacifiCorp shall make available in a Tracking Account up to \$2,000, which may be disbursed to qualified entities to defray the costs of LWD transportation and placement in the Lewis River Basin (the "LWD Fund").

In addition, within 180 days after Issuance of the New License for the Merwin Project and annually thereafter, PacifiCorp shall contribute \$10,000 to the Aquatics Fund (Section 7.5) that will be earmarked for LWD projects in the mainstem of the Lewis River below Merwin Dam that benefit anadromous fish.

**Lewis River License Implementation**  
**Lewis River Yale Land Fund**  
**Section 10.1 - 10.1.1**

Funding Start Date: 4/1/05

Release Date	Funds Received	Expense	Interest	Balance	Notes
12/31/05				\$ 1,573,922.62	Contributions in 2003 dollars, adjusted for inflation Fixed prime rate nearest April 1 of each year
4/30/06	\$ 1,081,853.45				
12/31/06			\$ 90,500.56	\$ 2,746,276.63	
12/31/07			\$ 212,836.46	\$ 2,959,113.09	
3/31/08			\$ 244,629.38	\$ 3,203,742.47	
11/30/09			\$ 167,849.53	\$ 3,371,592.72	
*					Pending acquisition expenses yet to be deducted
<b>Total Spent to Date:</b>			<b>\$ -</b>		
<b>Running Total:</b>			<b>\$ 3,371,592.72</b>		

<b>Lewis River License Implementation</b> <b>Swift No. 1 &amp; Swift No. 2 Land and Habitat Protection Fund</b> <b>Section 10.2, 10.2.1</b>	Funding Start Date: 3/26/09
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Release Date	Funds Received	Expense	Interest	Balance	Notes
3/26/09			\$ 3,263.82	\$ 3,781,881.67	Contributions in 2003 dollars, adjusted for inflation Fixed prime rate nearest April 1 of each year
12/26/09	\$ 780,000.00			\$ 4,561,881.67	

<b>Total Spent to Date:</b>	<b>\$ -</b>
<b>Running Total:</b>	<b>\$ 4,561,881.67</b>



**Lewis River License Implementation**  
**Lewis River WHMP Fund (Conservation Easement Lands)**  
**Section 10.8.2**

Funding Start Date: 12/26/08

Release Date	Funds Received	Interest	Balance	Notes
				Contributions in 2003 dollars, Adjusted for Inflation
12/26/08			\$ -	
12/26/09			\$ 216.00	10.8.2 WHMP Fund (16 acres \$13.50 lands owned in fee simple = \$216.00)
<b>Total Spent to Date:</b>		<b>\$ -</b>		
<b>Balance Remaining:</b>		<b>\$ 216.00</b>		

<b>Lewis River License Implementation</b> <b>Lewis River WHMP Fund (Fee Simple Lands)</b> <b>Section 10.8.2</b>	Funding Start Date: 12/26/08
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Release Date	Funds Received	Expense	Interest	Balance	Notes
					Contributions in 2003 dollars, Adjusted for Inflation
12/26/08	\$ 272,295.00		\$ 41,103.68	\$ 313,398.68	10.8.2 WHMP Fund (10,085 acres \$27.00 lands owned in fee simple = \$272,295.00)
4/1/09			\$ 4,326.73	\$ 317,724.41	
11/19/09		\$ 305,446.31			
12/26/09	\$ 273,699.00				(10,137 acres \$27.00 lands owned in fee simple = \$273,699.00) 12/1/09 - Added 52 acres for Jackman parcel
<b>Total Spent to Date:</b>			<b>\$ 305,446.31</b>		
<b>Balance Remaining:</b>			<b>\$ 12,278.10</b>		