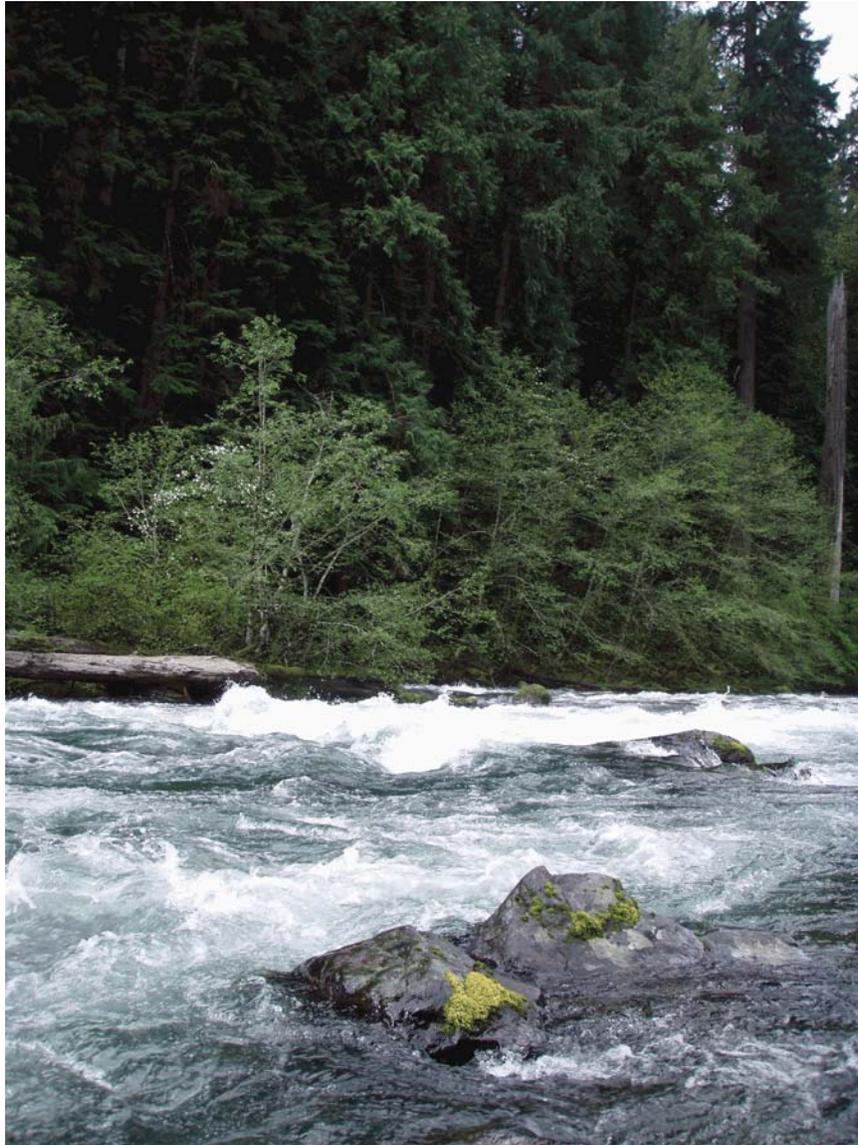


NORTH UMPQUA HYDROELECTRIC PROJECT

FERC P-1927

Protection, Mitigation, and
Enhancement Measures



2006 Annual Report

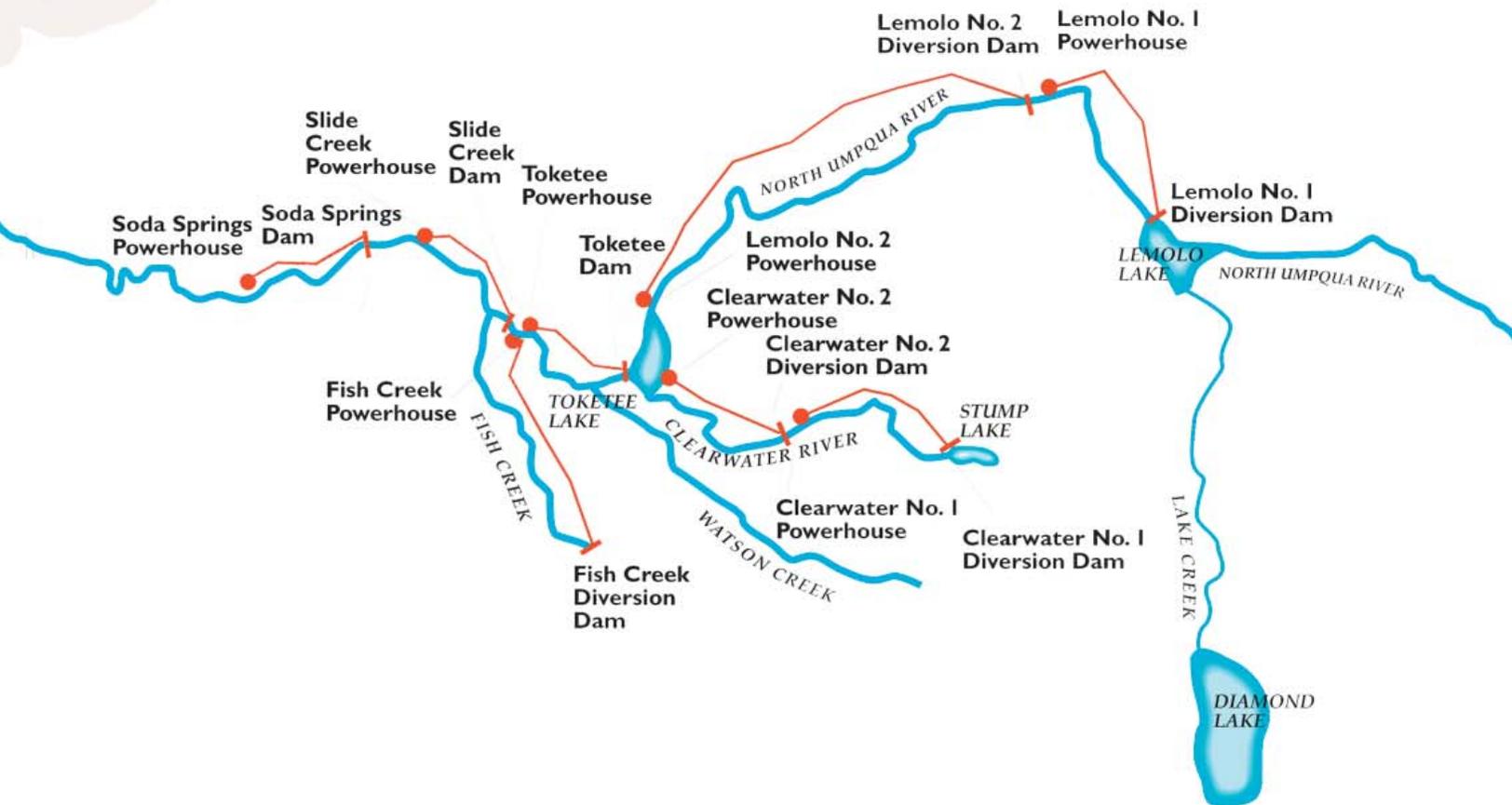


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Executive Summary

PacifiCorp Energy (PacifiCorp) is implementing Protection, Mitigation, and Enhancement measures (PM&Es) on the North Umpqua Hydroelectric Project identified in the 2001 Settlement Agreement and the Federal Energy Regulation Commission (FERC) license (FERC P-1927) issued in 2003. A motion was filed with the Ninth Circuit Court of Appeals concerning specific license elements in 2004. This appeal was ruled on in September 2005 and finalized in October 2005, resulting in no change on the existing new license. Under the terms of the North Umpqua Hydroelectric Project Settlement Agreement (Settlement Agreement or SA), the license was considered “final” with the judicial appeal period concluded. This milestone initiated PM&Es that were pending the close of legal proceedings. This annual report documents PacifiCorp’s project and fiduciary activities from January 2006 to December of 2006.

Representatives from the four federal and three state agencies that signed the Settlement Agreement, in addition to PacifiCorp, function as the Resource Coordination Committee (RCC), which facilitates activities associated with the Settlement Agreement. During the reporting period, the RCC conducted 12 meetings which involved opportunities for public participation. In addition, the RCC provided a hydro project tour for the public in October 2006. A policy group, established to make decisions regarding policy-level issues, conducted a meeting in February 2006.

Settlement Agreement activities consist of Early Implementation Projects, Date Certain Projects, or Final License-Dependent Projects. As the license became “final” in 2005, the Early Implementation Projects are considered complete and implementation of PM&Es followed the schedule as outlined in the Settlement Agreement. License PM&Es for this reporting year are those due between January and December 2006.

In 2006, key accomplishments included:

- Completed final design for the Soda Springs tailrace barrier (SA §4.1.1f).
- Completed final design for the Fish Creek fish screen (SA §4.3.2a) and the Fish Creek canal shut-off and drainage system (SA §14.2).
- Construction of new facilities to meet new ramping requirements in the Lemolo 1, Lemolo 2, Clearwater 1, and Clearwater 2, and Toketee bypass reaches (SA §5.1).
- Continued consultation with the Parties regarding the Lemolo 2 Reroute Project (SA §6.1).
- Implementation of new ramping limits in project bypass reaches to benefit aquatic resources (SA §6.5).
- Continued monitoring of experimental gravel placement below Soda Springs Dam (SA §7.2).
- Completed final implementation report for the habitat enhancement project in the Slide Creek bypass reach (SA §8.2.1).
- Conducted monitoring of the habitat restoration project in the Soda Springs bypass reach, and conducted maintenance actions (SA §8.3.2).

- Implemented new management regime for reservoir management in compliance with the Lemolo Reservoir Management Plan.
- Drafted design for aquatic reconnection ramp (SA §10.2).
- Completed facility construction for reconnecting the Clearwater River with the North Umpqua River (SA §10.3).
- Completed riparian restoration actions at White Mule Creek (SA §10.5).
- Completed a draft Terrestrial Connectivity Plan and consulted with Parties on an Aquatic Connectivity Plan (SA §10.6 and §11.3).
- Construction of the Stump Lake wetland and design development of the Lemolo Lake wetland enhancement project (SA §11.5).
- 5-year rolling action plans were drafted for the Vegetation Management Plan (SA §12), the Erosion Control Plan (SA §14), the Transportation Management Plan (SA §15), the Aesthetics Management Plan (SA §16), the Recreation Management Plan (SA §17), and the Historic Properties Management Plan (SA §18).
- Planning continued for implementation of habitat enhancements to East Fork Rock Creek, in preparation for ongoing studies to benefit overwintering Coho salmon (SA §19.1).
- Approved the study plan for predator study and long-term monitoring of anadromous fish restoration above Soda Springs Dam (SA §19.2).
- Provided funding for continued mitigation efforts within the North Umpqua watershed (SA §19.3) and monitoring the effectiveness of Settlement Agreement actions (SA §19.4).
- Finalized the Resource Coordination Plan (SA §21.1).
- Prepared the Sensitive Species Plan (§4e Condition 15).

The RCC will continue to meet on a regular basis to oversee these and future actions. The RCC met in January 2006 to plan actions for the year, as specified in the Resource Coordination Plan. This forum will be conducted annually to coordinate collaborative efforts in meeting the intent of the Settlement Agreement.

SECTION 1.0 INTRODUCTION

Located on the west side of the Cascades mountain range in southern Oregon, the North Umpqua Hydroelectric Project consists of eight dams that have a combined capacity to generate about 185 megawatts of power. The project was constructed between 1950 and 1956.

In the early 1990s, as the expiration of the first FERC license approached, PacifiCorp initiated the relicensing application preparation process with FERC. In June 2001, the relicensing process culminated in the development and signing of the North Umpqua Hydroelectric Project Settlement Agreement. The Settlement Agreement identified annual reporting requirements that range from fiduciary reporting to narrative description of actions. The report period for this document is from January 1, 2006 to December 31, 2006. This year's annual report represents a calendar year timeframe, per §21.4.2, and contains the SA reporting requirements, as described below:

- SA §7.2.3 (amended). Gravel Augmentation Program Funding and Accounting: Written annual report describing the amounts deposited and disbursed.
- SA §8.3.5 (amended). North Umpqua River Habitat Restoration/Creation Project Funding and Accounting: Written annual report describing the amounts deposited and disbursed.
- SA §19.1.1.3 Tributary Enhancement Account Reporting: Written annual report describing the amounts deposited into and disbursed.
- SA §19.3.1 Mitigation Fund Annual Reporting: Written annual report describing the amounts deposited into and disbursed from the Mitigation Fund.
- SA §21.4.2 Environmental Coordinator Reports: An annual report on the activities of the RCC and on the implementation of the PM&Es.

1.1 Background

On June 13, 2001, PacifiCorp filed a Settlement Agreement pursuant to FERC Rule 602, 18 Code of Federal Regulations §385.602, to resolve issues concerning the relicensing of the North Umpqua Hydroelectric Project (FERC P-1927). Parties to the Settlement Agreement include PacifiCorp, the USDA Forest Service (USDA-FS), the USDI Fish and Wildlife Service (USFWS), the USDI Bureau of Land Management (BLM), the National Marine Fisheries Service (NMFS), the Oregon Department of Environmental Quality (ODEQ), the Oregon Department of Fish and Wildlife (ODFW), and the Oregon Water Resources Department (OWRD), referred to collectively as the "Parties." As required by statute, FERC conducted a National Environmental Policy Act (NEPA) process that

concluded with a Final Environmental Impact Statement (FEIS) issued in March 2003. Based on the findings of the FEIS, FERC developed articles for a new license for the North Umpqua Hydroelectric Project. FERC formally issued the new license on November 18, 2003, designating a term of 35 years.

Under the provisions of the Settlement Agreement, the license is not final until all administrative and judicial appeals are exhausted. The license was appealed to the Ninth U.S. Circuit Court of Appeals on May 21, 2004. The Court ruled the case in favor of FERC, USDA-FS, and PacifiCorp. On September 1, 2005, the Court upheld the new FERC license for the project, including USDA-FS's mandatory 4(e) conditions. In summary, the Court found the following: 1) it had jurisdiction to hear all the environmental groups' claims, 2) USDA-FS had followed proper administrative procedure in their rule change determining that FERC is the federal agency responsible for NEPA and consequently a Record of Decision was not required for the USDA-FS 4e conditions; and 3) USDA-FS had adequately addressed the dam removal alternative and studies adequately showed that other conditions short of dam removal would positively enhance the North Umpqua river basin. The license was therefore considered final on October 18, 2005 after the conclusion of the 45-day appeal period.

Copies of the Settlement Agreement and the FERC license are available from FERC upon request or on the PacifiCorp Web site at:
<http://www.pacificorp.com/Article/Article44907.html>

1.2 Resource Coordination Committee

SA §21 establishes a process to facilitate coordination and decision-making concerning implementation of Settlement Agreement measures. To accomplish this objective, SA §21.1 provides for the creation of the RCC consisting of representatives from the signing Parties. The purposes of the RCC, discussed in detail in SA §2.0, are to 1) facilitate coordination and consultation on plans developed by PacifiCorp for the implementation of PM&Es; 2) coordinate the implementation of PM&Es and ongoing monitoring requirements by PacifiCorp; 3) establish appropriate procedures for conducting activities; and 4) establish subcommittees to accomplish these objectives.

1.3 Report Organization and Review

The 2006 North Umpqua Hydroelectric Project Annual Report provides the following information:

Section 2.0 Resource Coordination Committee Overview

- Section 2.1 RCC Roles and Responsibilities
- Section 2.2 RCC Members
- Section 2.3 RCC Meetings

Section 3.0 Protection, Mitigation, and Enhancement Measures

Section 3.1 Implementation of PM&Es

Section 3.2 FERC License Actions

Section 4.0 Fiduciary Reporting

Section 4.1 Summary of Fund Payments

Section 5.0 Conclusion

Appendix A Detailed Accounting

This annual report was developed by PacifiCorp and underwent a 30-day review and comment period by the RCC members. Comments from these agencies were incorporated either directly or by reference into the final document.

SECTION 2.0

RESOURCE COORDINATION COMMITTEE

This section provides an overview of RCC roles and responsibilities according to the Settlement Agreement and as subsequently implemented. It also presents a summary of RCC meetings held during the 2006 report period, including a list of public comments received and major discussion points, decisions, and action items associated with each meeting.

2.1 RCC Roles and Responsibilities

The purpose and role of the RCC, as defined in SA §21.1 is to facilitate coordination and implementation of PM&Es. The RCC also looks at implementation requirements, and through collaboration and sharing of information, works to achieve desired results. Specifically excluded from RCC responsibility and authority is the administration of the Tributary Enhancement Program and Mitigation Fund set forth in SA §19. However, responsible Parties may consult with the RCC concerning measures conducted pursuant to this program and fund.

The structure and process of the RCC is intended to provide a forum to address time-sensitive matters, give early warning of problems, and coordinate member organization actions, schedules, and decisions to save time and expense. As described in the Settlement Agreement, the RCC must endeavor to conduct its business by consensus. However, in the event of disagreements, the Parties may refer disagreements to appropriate policy-level decision-makers. Decisions of the RCC may not usurp the authority of individual Parties or specific governmental agencies identified in the Settlement Agreement as having approval authority regarding specific PM&Es.

The RCC is responsible for the following measures, pursuant to the Settlement Agreement:

- Facilitate coordination of the implementation of the Resource Coordination Plan (RCP), including ongoing operations and maintenance (SA §21.1).
- Coordinate the implementation of PM&Es and ongoing monitoring requirements by PacifiCorp (SA §21.1).
- Coordinate responses and evaluations specifically assigned to the RCC (SA §§8.2.2, 8.3.3, 12.2, 14.3.3, 14.5, 17.8, 19.2.1 and 22.5.2, and SA Amendment §7.2).
- Facilitate coordination and consultation on plans developed by PacifiCorp (SA §21.1).

- Review and comment on the draft annual report of RCC activities and implementation of the PM&Es (SA §21.4.2).
- Serve as a common point of contact for public information regarding Settlement Agreement implementation.

The following measures are specifically excluded from RCC responsibility:

- Administration of the Tributary Enhancement Program through ODFW's Memorandum of Understanding (SA §19.1).
- Administration of the Mitigation Fund through the USDA-FS (SA §19.3).
- Approval of plans and actions regarding specific PM&Es assigned to individual organizations for resource protection (SA §21.2).

The RCC defined discrete goals and functional responsibilities to enhance its effectiveness:

- Interpret the Settlement Agreement: Apply provisions to on-the-ground planning and implementation.
- Monitor implementation of the Settlement Agreement as a whole to provide a wider view than one agency's perspective.
- Avoid surprises and errors through effective communication.
- Track progress: Serve as the interface for the Parties as implementation takes place.
- Identify policy issues: As policy issues arise, work collectively to define and clarify the issues and options for transmittal to the executive members of the Parties.
- Provide public information: Serve as a point of information regarding Settlement Agreement implementation with a collective voice.
- Promote efficiency: Share information among organizations; communicate changes in policy, procedure, or regulation; consult before decision-making; and share technical resources.
- Implement the Settlement Agreement collaboratively to ensure that all Parties' interests continue to be valued throughout the new license term.
- Effectively communicate its progress through the development of a Web site at: <http://www.pacificorp.com/Article/Article44907.html>

2.2 RCC Members

The Parties have each appointed a member and an alternate to the RCC. The members are shown in Table 2.2-1. The RCC members work with a designated caucus within their respective organizations.

TABLE 2.2-1
2006 Resource Coordination Committee Members

RCC Member	Organization
John Sloan	USDA Forest Service, Umpqua National Forest, Roseburg, Oregon
Craig Tuss	USDI Fish and Wildlife Service, Roseburg, Oregon
Dan Couch	USDI Bureau of Land Management - Roseburg District, Roseburg, Oregon
Stephanie Burchfield	National Marine Fisheries Service, Portland, Oregon
Dave Harris	Oregon Department of Fish and Wildlife, Roseburg, Oregon
Dennis Belsky	Oregon Department of Environmental Quality, Medford, Oregon
Craig Kohanek	Oregon Water Resources Department, Salem, Oregon
Monte Garrett	PacifiCorp Energy, Portland, Oregon

2.3 RCC Meetings

During the 2006 reporting period, the RCC conducted 12 meetings to finalize study plans, discuss implementation objectives for PM&Es, and facilitate the overall Settlement Agreement implementation. The formal ground rules established and adopted by the RCC provide the functional framework for this collaborative work. These ground rules are provided on the PacifiCorp Web site at: <http://www.pacificorp.com/File/File52306.pdf>.

This section summarizes the issues covered at RCC meetings and the items where consensus was reached during the 12-month report period. Meeting summaries are provided on the PacifiCorp Web site at: <http://www.pacificorp.com/Article/Article26523>.

Meeting summaries are drafted for RCC meetings and technical work group meetings. The draft summaries are distributed to the RCC members for review and comment. At a

subsequent meeting, after corrections have been made as appropriate and when work in progress is completed, the RCC approves the summaries by consensus. Meetings are open to the public for comment, and any comments received are added to the meeting summaries.

**RCC Meeting No. 1
February 22, 2006**

- Accepted the 2005 Early Implementation Project final report, reviewed and approved the 2002-2005 Early Implementation Program financial status report, and upon reflection of license issuance, the Early Implementation Program was closed.
- Established seven technical working groups (TWGs).
- Discussed subcommittee roles, eliminated aquatic and terrestrial subcommittees, and flattened the reporting structure from the TWG directly to the RCC.

**RCC Meeting No. 2
March 15, 2006**

- Discussed Settlement Agreement completion dates for the Soda Springs tailrace barrier, Fish Creek fish screen, and Fish Creek canal shut-off and drainage projects, and approved a request that FERC grant a schedule extension to 2007.

**RCC Meeting No. 3
April 19, 2006**

- Reported that both Clearwater reconnect and Lemolo fish ladder projects are now in operation.
- Approved initial expenditures of up to \$100,000 for Long Term Monitoring/Predator Control, for review and revisions to study plan, smolt trapping (including purchases & repairs), data analyses and reporting, Soda Springs predator sampling, and other priority sampling efforts as the plan develops.
- Discussed Soda Bypass Monitoring Plan and approved expenditure of up to \$5,000 for periodic monitoring.
- Reported status of Soda Springs tailrace barrier, Fish Creek fish screen, and Lemolo 2 reroute projects.
- Reviewed status of Resource Coordination Plan.

RCC Meeting No. 4
May 11, 2006

- Discussed Fish Creek fish screen project and approved the project proposal.

RCC Meeting No. 5
May 17, 2006

- Discussed the Lemolo 2 reroute project.
- Approved expenditure of \$60,830 plus/minus ten percent from the Soda Spawning Habitat Mitigation Fund for identified maintenance and structural work. With an early August completion date needed, the RCC also approved a reduction in flows to 25-30 cfs for in-stream work during the first two weeks of the month.
- Approved expenditure of \$27,500 from the Long Term Monitoring/Predator Control Fund for saturation sampling and brown trout marking as part of the TWG draft study plan.

RCC Meeting No. 6
June 21, 2006

- Renamed the Wildlife, Botanical & Wetlands TWG to the Terrestrial TWG.
- Reported status of Slide Creek powerhouse, Soda Springs habitat, and Long Term Monitoring/Predator Control projects.
- Discussed value of a fall public information site tour.
- Established “public information opportunities” as a standing RCC agenda item.

RCC Meeting No. 7
July 19, 2006

- Discussed water needs relative to Fish Creek flows and the potentially toxic algae bloom in Lemolo Lake. Approved temporary diversion allowance of 2-5 cfs for summer 2006 to maintain forebay integrity, and up to 12 cfs during summer 2006 for domestic water supply at Toketee Village when the primary domestic water supply is compromised (e.g. during potentially toxic algae blooms in Lemolo Lake).
- Reported status of Slide Creek powerhouse, Long Term Monitoring/Predator Control, and Fish Passage Design projects.
- Discussed that Soda Springs habitat project may not be completed due to permitting requirements. Agreed to comment during the 30-day Department of

State Lands comment period and specifically state that the Parties support the project, it has been reviewed by technical specialists, and expedited permitting is needed for work to take place this fall.

- Discussed USDA-FS concerns on the blended alternative to the Lemolo 2 reroute project.
- Approved the final Resource Coordination Plan, as amended in SA §§1.5 and 2.2.2.
- Discussed Mitigation Fund draft process. Supported and agreed to comment after further review.
- Expressed interest and supported the Automatic Flows Alert System Pilot project.
- Discussed fall public information site tour, scheduled for October 17, and reported that Partnership for Umpqua Rivers expressed interest in combining site tours and will assist with advertising.

RCC Meeting No. 8
August 16, 2006

- Reported status of Lemolo 2 reroute, Fish Passage Design, Canal Shutoff & Drainage, Gravel Augmentation, Soda Springs habitat, and Long Term Monitoring/Predator Control projects.
- Reported that Fish Creek flows are at 60 cfs in bypass reach, the algae bloom has cleared up, and flows have been shifted to the North Umpqua. Water quality monitoring will continue daily.
- Discussed plans and details for public information site tour.

RCC Meeting No. 9
September 20, 2006

- Reported status of Gravel Augmentation, Soda Springs habitat, Long Term Monitoring/Predator Control, Flows & Ramping, and Fish Passage Design projects.
- Discussed Lemolo 2 Reroute project. Draft briefing paper distributed to USDA-FS Hydropower Coordinator and Lemolo 2 reroute TWG members in preparation for a meeting to discuss blended alternative with Parties in October.
- Reported status of Mitigation Fund.

RCC Meeting No. 10
October 18, 2006

- Discussed successful public information tour and provided thoughts for next year's tour.
- Reported instream flow requirements and new ramping limits officially take place today, the first year of the final license.
- Reported that Stump Lake wetland work is done, wetland is filling, and planting and erosion control are underway.
- Reported status of White Mule Creek, Fish Creek fish screen, Slide Creek diversion dam, and Gravel Augmentation projects.
- Provided budget status on Soda Springs habitat project.
- Approved the Long Term Monitoring and Predator Control Study Plan.
- Discussed the Lemolo 2 reroute project.

RCC Meeting No. 11
November 6, 2006

- Discussed plans for the January 2007 annual work session.
- Provided overview of Mitigation Fund recommended projects.
- Reported status Flows & Ramping, Fish Habitat & Studies, Long Term Monitoring & Predator Control, and Lemolo 2 reroute projects.

RCC Meeting No. 12
December 13, 2006

- Reported status of Fish Passage & Design, Fish Creek, Fish Habitat & Studies, and Lemolo 2 reroute projects.
- Reported status of Rolling Action Plans.
- Reported on Mitigation Fund disbursements and after discussion on water quality monitoring at Diamond Lake, agreed to consider interpreting SA §19.3 with regard to Diamond Lake water quality monitoring and fish ladders.
- Discussed final preparations for January 2007 annual work session.

SECTION 3.0

PROTECTION, MITIGATION, AND ENHANCEMENT MEASURE PROGRESS

This section presents progress during 2006 of PM&Es defined in the North Umpqua Settlement Agreement (effective June 13, 2001) and the FERC license (final as of October 18, 2005). A summary of all documents submitted to FERC and their current status is also presented.

The Parties have agreed to modify the schedule of PM&Es, if necessary. In such instances, the Parties may convene and modify Settlement Agreement implementation dates if all Parties are in agreement that such modifications are warranted. Delays in implementation are typically needed to further develop the action to ensure greater success.

3.1 Implementation of PM&Es

The Settlement Agreement identifies specific PM&Es as “Date Certain” by indicating a specific date for a measure’s commencement, completion, or as “Final License Dependent,” meaning that their implementation is subject to the issuance of the final license. These Final License Dependent actions are now on an active implementation schedule. The schedule for all PM&Es and their status is presented in Table 3.1-1. The status of the PM&Es specific to the timeframe of this report is presented in Table 3.1-2.

During the report period, Settlement Agreement and license actions focused on planning, monitoring, construction projects, and engineering designs. All Parties have worked cooperatively toward meeting Settlement Agreement schedule commitments.

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Key	
	Due Date
●	Completed
○	In Progress

**TABLE 3.1-1
Implementation Schedule and Status of PM&Es**

SA Section	PM&E	YEAR														
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015+
4.0	FISH PASSAGE MEASURES															
4.1.1(a)	Soda Springs Fish Ladder Design						○									
4.1.1(d)	Soda Springs Ladder, O&M, and Evaluation Program						○									
4.1.1(e)	Soda Springs Fish Ladder Construction															
4.1.1(f)	Soda Springs Tailrace Barrier Design/Construction					○	○									
4.1.1(f)	Slide Creek Tailrace Barrier Design/Construction															
4.1.2(a)	Soda Springs Downstream Screen Design						○									
4.1.2(b)	Soda Springs Downstream Screen, O&M and Evaluation Program						○									
4.1.2(d)	Soda Springs Downstream Screen - Construction															
4.1.2(f)	Soda Springs Downstream Passage - Spillway Modifications Design						○									
4.1.2(f)	Soda Springs Downstream Passage - Construction															
4.3.1(a)	Lemolo 2 Fishway Modifications Design				●	●										
4.3.1(a)	Lemolo 2 Fishway Modifications Construction					○	●									
4.3.1(c/d)	Lemolo 2 Fishway Modifications O&M/Evaluation Plan				●	●										
4.3.1(d)	Lemolo 2 Post-construction Evaluation															
4.3.2(a)	Fish Creek Downstream Screen - Design					●	○									
4.3.2(a)	Fish Creek Downstream Screen - Construction															
4.3.3	Toketee Trash Rack Modification															

SA Section	PM&E	YEAR														
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015+
5.0	INSTREAM FLOWS															
5.1	Soda Springs Table 1 Flows			●												
5.1	Implement Table 1 Flows					●										
5.1	Implement Table 2 Flows															
5.3	Reconsideration of Instream Flows					●										
5.4	Lemolo 2 Full Flow Reach					○	○									
5.5	Instream Flow Gage Installation		●													
5.5	Instream Flow Monitoring Plan		●		●											
5.6	ODFW Holding Ponds Water Supply	●	●	●	●	●	●									
6.0	RAMPING															
6.1	Lemolo 2 Full Flow Reach Installation					○	○									
6.2.1	Slide Creek Ramping Monitoring Plan															
6.2.1	Slide Creek Ramping Monitoring Plan Implementation															
6.4	Wild & Scenic Ramping Restrictions	●	●	●	●	●	●									
6.5	Bypass Reach Ramping Restrictions (0.2 ft/hr)	●	●	●	●	●										
6.6	Project Maintenance Appendix D Schedule						●									
6.7	Emergency Shutdown - Ramp Restrictions						●									
6.8	Soda Springs Emergency Bypass Valve				●											
6.9	Slide Creek Emergency Bypass Valve Evaluation						●									
7.0	RESTORATION OF FLUVIAL PROCESSES															
7.1	Gravel Augmentation below Soda Springs Dam				●											
7.2	Gravel Augmentation Program	●	●	●	●	●	●									

SA Section	PM&E	YEAR														
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015+
7.3	Passage of Woody Debris	●	●	●	●	●	●									
7.4	Passage of Sediment (if high flows present)	●	●	●	●	●	●									
7.5	Reconnection of Clearwater River - Design					●										
8.0	MAINSTEM HABITAT ENHANCEMENT															
8.2.1	Slide Creek Implementation Plan	●	●													
8.2.2	Slide Creek Monitoring Plan		●		●											
8.2.3	Slide Creek Baseline Habitat Survey		●													
8.2.4	Slide Creek Test Boulder Placement		●	●	●	●										
8.3.1	Soda Springs Feasibility Assessment			●												
8.3.2	Soda Springs Implementation Plan			●												
8.3.3	Soda Springs Monitoring Plan			●												
8.3.4	Soda Springs Baseline Habitat Survey & Monitoring Plan				●											
8.3.5	Soda Springs Funding and Accounting				●	●	●									
8.3.6	Soda Springs Completion				●											
9.0	RESERVOIR AND FOREBAY MANAGEMENT															
9.1	Stocking of Rainbow Trout: Production Funding				●	●	●									
9.2	Rainbow Trout Broodstock Development				●											
9.3	Management of Lemolo Lake Reservoir	●	●	●	●	●	●									
9.3.3	Lemolo Reservoir Fluctuations (0.5 ft/day)						●									
9.5	Salvage of Fish During Shutdowns	●	●	●	●	●	●									
10.0	AQUATIC RESOURCES															

SA Section	PM&E	YEAR														
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015+
10.2	Stump Lake Connectivity Invertebrate Ladder						○									
10.3	Clearwater River Reconnection – Design/Construction					●	●									
10.4	Diversion Structure Removal Lemolo Named Creeks			●												
10.4	Potter Creek Diversion Removal					●										
10.4	Deer Creek Diversion Removal						●									
10.5	Riparian Restoration – White Mule Creek						●									
10.5	Riparian Restoration – Potter Creek		●	●	●	●	●									
10.6	Reconnecting Aquatic Connectivity Priority 1 Sites						○									
10.6	Reconnecting Aquatic Connectivity Priority 2 Sites															
11.0	TERRESTRIAL RESOURCES															
11.1	Big Game Bridge Widening (29)				●											
11.2	Wildlife Crossings (34)						○									
11.3	Wildlife Monitoring Plan						○									
11.4	Wildlife Underpasses (9)					●										
11.5	Stump Lake Wetland						●									
11.5	Stinkhole Wetland															
11.5	Fallen Mountain Creek – Lemolo 2															
11.5	Lemolo/Forebay Expansion Area															
11.5	Lemolo Campground Area						○									
11.5	Wetland Areas #1, #2, & #3															
12.0	VEGETATION MANAGEMENT															

SA Section	PM&E	YEAR														
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015+
12.1	Vegetation Management Plan Development and Implementation				●	●	●									
12.2	Noxious Weed Control	●	●	●	●	●	●									
13.0	AVIAN PROTECTION															
13.4	Records & Database Management System	●	●	●	●	●	●									
14.0	EROSION & SEDIMENT CONTROL															
14.2	Canal Shutoff & Drainage System							○								
14.4.2	High Priority Erosion Sites: Fish Creek				●											
14.4.2	High Priority Erosion Sites: Clearwater & Lemolo				○	○	●									
14.4.3	Medium Priority Erosion Site (27)				○	○	○									
14.5	Erosion Monitoring	●	●	●	●	●	●									
14.7	Seismic & Geological Hazard Evaluation			●												
15.0	TRANSPORTATION															
15.1	Transportation Management Plan				●											
15.1	Transportation Management Plan Implementation				●	●	●									
15.2	PPL Roads to USDA-FS Standards	●	●	●	●	●	●									
15.3	Cost Sharing for Joint Roads and Maintenance					●	●									
15.4	Road Decommissioning		○	○	○	○	○									
15.5	Bridges – Improvements	●	●	●	●	●										
15.5.1	Bridge Maintenance Cost Sharing					●	●									
15.6	Fish Culvert Upgrades															
15.6	100-Year Flood Culvert Upgrades			○	○	●	●									

		YEAR														
SA Section	PM&E	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015+
15.6	Culvert Maintenance on PPL Use Roads		●	●	●	●	●									
16.0	AESTHETICS															
16.1	Aesthetics Management Plan Implementation				●	●	●									
16.2	Landscaping Clearwater Shop						●									
16.2	Landscaping Clearwater Switchyard						●									
16.4	Transmission Line Evaluation (Design)					●										
16.4	Transmission Line Mitigation (11 Sites)															
17.0	RECREATION															
17.2	O&M Funding to USDA-FS				●	●	●									
17.7	Law Enforcement Funding to USDA-FS				●	●	●									
17.8	Recreation – Deferred Capital Improvement Funds to USDA-FS		●	●	●											
17.8	Recreation – Capital Improvements															
17.9	Public Information Funding to USDA-FS				●	●	●									
17.10	Annual Monitoring Funding to USDA-FS				●	●	●									
17.11	Recreation: NW Forest Plan Compliance Funding to USDA-FS				●											
18.0	CULTURAL															
18.1	Historic Properties Management Plan			●	●	●	●									
18.1	Historic Properties Management Plan Implementation					●	●									
18.3/18.6	Site Discovery/Monitoring	●	●	●	●	●	●									
18.4	Protection, Restoration, and Recovery				●	●	●									
19.0	MITIGATION															
19.1.1	Tributary Enhancement Account (MOU) Funding				●	●	●									

SA Section	PM&E	YEAR														
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015+
19.1.1	Tributary Enhancement Account (Use of Funds)					●	●									
19.2	Long-Term Monitoring and Predator Control Funding				●	●	●									
19.2.1	Long-Term Monitoring and Predator Control Disbursements				●	●	●									
19.3.3	Federal Mitigation Funding				●	●	●									
19.5	Early Implementation Funding		●	●	●	●										
19.5.2	Early Implementation Fund Annual Reporting		●	●	●	●										
21.0	COORDINATION AND DECISION-MAKING															
21.1	Resource Coordination Committee	●	●	●	●	●	●									
21.1	Resource Coordination Plan Developed and Implemented					●	●									
21.4.2	Annual Report		●	●	●	●	●									
21.5	Site Specific Plan Development	●	●	●	●	●	●									

TABLE 3.1-2
2006 Status of PM&Es

SA Section	PM&E	Due Date	Status
4.1	Fish Passage at Soda Springs Dam Design/Construct/Evaluate/Operations and Maintenance	2008+	During 2006, plans were made to initiate consultation early in 2007 on the many designs and plans required for upstream and downstream fish passage at Soda Springs dam and spillway.
4.1.1(f)	Soda Springs Tailrace Barrier Design/Construct	2007	Final design ready for RCC approval. On track for submission to FERC by January 31, 2007. Cofferdam design is part of contractor's proposal. Construction is planned for 2007.
4.3.1(a, c, d)	Lemolo 2 Fishway Modification Design/Construct/Evaluate/Operations and Maintenance	2004-2007	Construction was completed in April 2006. Hydraulic evaluation field measurements were also done in 2006. Biological evaluation is scheduled for 2007.
4.3.2(a)	Fish Creek Downstream Fish Passage Design/Construct/Evaluate/Operations and Maintenance	2005/2007	Design progressed to the 90% level. Consultation began on draft evaluation/operations and maintenance plans. Construction is scheduled for 2007.
5.1	Instream Flow Increases in Project Bypass Reaches (7)	2005	New minimum flows were met in all reaches in late December 2005, using a combination of new and existing facilities. Construction of new facilities was completed at most diversions during 2006. Further modifications are planned at Slide Creek and Fish Creek diversions in 2007 to improve the ability to provide minimum flows.
5.4, 6.1	Lemolo 2 Full Flow Reach	2011	PacifiCorp and the Parties met on multiple occasions to develop a collaborative design solution for the rerouting of the discharge from Lemolo 2 powerhouse to Toketee Lake. The collaborative teams will continue the alternative evaluation process in 2007.

SA Section	PM&E	Due Date	Status
5.5	Instream Flow Monitoring Plan	Ongoing	Monitoring of instream flow and ramping compliance proceeded as required in the plan. Annual reports for water years 2004 and 2005 were submitted to the Parties in 2006.
6.4	Wild and Scenic Ramping Restrictions	Ongoing	Ramp rate requirements have been followed within equipment limitations. Consultation continues as necessary per the Flow Monitoring Plan.
6.5, 6.6	Bypass Reach Ramping Restrictions	Ongoing	New ramping limits became effective on October 18, 2006. Construction of new facilities was completed at most diversions during early 2006 to help meet these limits. Further modifications are planned at Slide Creek and Fish Creek diversions during 2007 to improve the ability to meet ramping limits.
6.9	Slide Creek Powerhouse Emergency Ramping Evaluation	2006	A study plan was developed in consultation with the Parties. The study was completed, and a report was submitted to the Parties. Consultation is expected to continue into 2007.
7.2	Gravel Augmentation Program (as per SA Amendment No. 1)	2002+	Monitoring of the experimental gravel pulse built in 2004 was completed in late 2006. The TWG will use these findings during 2007 to develop and submit a report to the RCC and FERC, and to modify the implementation and monitoring plans for long-term use.
7.3	Passage of Woody Debris at Soda Springs and Slide Creek Dams	Ongoing	Passage of woody debris continued according to the plan.
8.2.1	Slide Creek Bypass Reach Habitat Project Implementation/Monitoring	2002-2011	Habitat construction was completed in 2005, and the final implementation report was provided to the RCC and FERC in February 2006. Monitoring began in 2006. During 2007, the TWG will review and submit a monitoring summary

SA Section	PM&E	Due Date	Status
			report to the RCC and FERC. The second and final year of monitoring is expected to be 2011.
8.3.2	North Umpqua River Habitat Restoration/Creation Implementation/Monitoring	2004+	Annual and periodic monitoring occurred according to the plan. Maintenance of the habitat structure included bolstering an undercut log weir and adding 1,000 cubic yards of spawning gravel. An annual report was submitted to the RCC per the monitoring plan.
9.1	Funding for Production of Rainbow Trout for Stocking	2004+	PacifiCorp provided \$16,100 to ODFW.
9.3	Lemolo Lake Management Plan and Limits on Drawdown Rate and Elevations	Ongoing	Lemolo Lake drawdown limits became firm limits (rather than targets) on October 18, 2006, and were monitored according to the Flow Monitoring Plan. Lake management and consultation proceeded according to the Lemolo Lake Management Plan.
9.5	Salvage of Fish During Maintenance Shutdowns	Ongoing	PacifiCorp continued to comply with all provisions of this measure including advance notice of maintenance shutdowns, salvage and liberation of fish, and reporting of activities per ODFW Research Permit requirements.
10.3	Reconnection of Clearwater River	2005	PacifiCorp reconnected the Clearwater River through a complex facility that accommodated flows into Toketee Lake as well as flow in the reconnected channel that would pass woody debris, fish, and amphibians. Construction was completed and the facility became operational in April 2006.
10.4	Breaching Diversions	2006	The diversion in Deer Creek was modified in October 2006 to return full flows to the stream channel, provide for passage of gravel and woody debris, and ensure fish movement.

SA Section	PM&E	Due Date	Status
10.5	Riparian Restoration	2006	The White Mule Creek restoration project was constructed in 2006. Additional habitat plantings and site stabilization will occur during spring of 2007.
10.6	Aquatic Connectivity	Ongoing	PacifiCorp, ODFW, and USDA-FS reviewed the reconnection sites and determined preliminary design solutions, which were summarized in a draft plan. Additional review and planning will occur during 2007. The final report is expected in 2008.
11.1, 11.2, 11.3, 11.4	Terrestrial Connectivity Plan	2007	PacifiCorp, ODFW, and USDA-FS collaboratively developed a Terrestrial Connectivity Plan, which focused on selecting wildlife crossing locations and establishing monitoring protocols. The plan is expected to be finalized in 2007, with construction of wildlife crossings to take place 2006 through 2009.
11.2	Wildlife Crossings	2009	Four collaboratively-selected wildlife crossings were selected for construction in 2005. Crossing construction was delayed until 2006. To date, six of the 34 required wildlife crossings have been completed.
11.5	Wetland Development	2006-2011	Design and construction was completed on the Stump Lake wetland during 2006. PacifiCorp, ODFW, and USDA-FS are finalizing designs for the Lemolo Lake wetland. Construction permitting is underway. Construction of the Lemolo Lake wetland is scheduled for 2007. Design consultation continued for the Stinkhole wetland (as it relates to the Lemolo 2 reconnection project, SA §6.1). Planning for remaining wetland enhancement projects will likely commence in 2007.
12.1	Vegetation Management Plan Implementation	Ongoing	The Vegetation Management Plan is final and undergoing implementation. Development of

SA Section	PM&E	Due Date	Status
			the Rolling Action Plan for implementing the plan began in August 2006, with finalization scheduled for January 2007.
13.1	Power Pole Modification	Ongoing	In 2005, PacifiCorp and USDA-FS met to review distribution poles around Toketee Lake. Poles requiring modification were identified, and designs were developed. Modifications were completed in 2006.
13.4	Records Database Management System	Ongoing	PacifiCorp continued to maintain a database for management of birds on powerlines. An annual report summarizing avian-powerline program activities occurring within the Project area was submitted to USDA-FS.
14.1, 14.5	Erosion Control Plan Implementation/ Monitoring	Ongoing/ Annual	The Erosion Control Plan is final and undergoing implementation. Erosion sites were monitored and an annual report was produced and distributed to the agencies in December 2006.
14.2	Canal Shutoff and Drainage Systems	2007	To minimize design and construction conflicts, this project was combined with the Fish Creek fish screen (SA §4.3) during 2006. Design reached the 90% level. Construction is planned for 2007.
15.1, 15.2, 15.3, 15.5	Transportation Management Plan Implementation	Ongoing	The Plan began implementation in 2004. Bridges were inspected and upgrades are underway. Culvert assessment was finalized and maintenance was performed. The 5-year rolling action plan development is in final phases, with cost shares for joint use roads identified.
16.1, 16.3, 16.4	Visual Resources (Aesthetics) Management Plan	Ongoing	The Plan was finalized in April 2004. PM&Es receive visual resource reviews before implementation. PacifiCorp consulted with USDA-FS on the application of the visual assessment of facilities model in 2005. New construction and

SA Section	PM&E	Due Date	Status
			maintenance projects are evaluated for their visual impact per the Plan. Development of the Rolling Action Plan for implementing the Plan began in August 2006, with finalization scheduled for January 2007.
17.1	Recreation Resources Management Plan Implementation	Ongoing	The Plan was finalized in April 2004 and implementation is underway. Development of the Rolling Action Plan for implementation began in 2006, with finalization scheduled for January 2007.
17.2	Campground Operations and Maintenance	Annual	PacifiCorp provided \$101,158 to USDA-FS. These funds are to be used for the operation and maintenance expenses for campground facilities on or near PacifiCorp project waters.
17.7	Law Enforcement	Annual	PacifiCorp provided \$8,979 to USDA-FS for land-based law enforcement support at recreation facilities in the FERC project boundary.
17.8	Recreation Funds for Deferred Capital Projects to Forest Service	2002 – 2004, 2007	PacifiCorp provided \$56,287 to the USDA-FS in 2002 and \$56,766 in 2003. In 2003, proposed actions included Boulder Flat boater put-in, Toketee Lake Campground picnic tables, and road improvements at Lemolo campgrounds (2002 project). With the exception of the raft launch, all of the proposed actions were completed. In 2004, PacifiCorp provided \$57,744 to the USDA-FS for a new toilet at Toketee campground. This item will remain until all funds have been spent.
17.9	Public Information	Annual	PacifiCorp provided \$8,047 to USDA-FS.
17.10	Annual Monitoring	Annual	PacifiCorp provided \$8,047 to USDA-FS.

SA Section	PM&E	Due Date	Status
17.11	Forest Plan Compliance	2004 and 2007	In 2004, PacifiCorp provided \$157,485 to USDA-FS for actions necessary to meet the NW Forest Plan aquatic conservation strategies at recreation facilities. These funds have been spent on actions as defined in the Recreation Resources Management Plan.
18.1	Cultural Resources (Historic Properties) Management Plan Implementation	Ongoing	The Historic Properties Management Plan (HPMP) was finalized in 2006. Ground-disturbing projects will follow the HPMP review and approval process. Development of an HPMP Rolling Action Plan was initiated in 2006, with completion expected for February 2007.
18.6	Cultural Resources Monitoring	Ongoing	PacifiCorp will continue to coordinate ground-disturbing activities with USDA-FS, BLM, and SHPO to continue monitoring and protection of historic resources.
19.1.1	Tributary Enhancement Account	Annual	PacifiCorp deposited \$461,523 to this account for future work associated with the ODFW Memorandum of Understanding. An additional \$47,807 was deposited for unspent Rock Creek Fishway Design funding, originally deducted from 2005 funding.
19.2	Long-Term Monitoring and Predator Control	Annual	PacifiCorp deposited \$192,321 to this account. The RCC approved a study plan in 2006, and studies were expanded to reflect the higher level of funding and the priorities in the Plan.
19.3	Mitigation Fund	Annual	PacifiCorp deposited \$1,341,646 to this USDA-FS account.
19.4	Oversight Costs	2006+	PacifiCorp provided \$212,333 to the ODFW for funding two full-time ODFW personnel hired in 2006 to help oversee and monitor work associated with the ODFW Memorandum of Understanding.

SA Section	PM&E	Due Date	Status
21.4.1	RCC	Ongoing	The RCC continued to facilitate implementation of PM&Es. During 2006, it held one 2-day work session, one public tour, and routine monthly meetings. Technical working groups met much more frequently to address detailed consultation issues.

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3.1.1 Major Accomplishments

During the report period, PacifiCorp continued progress on implementing PM&Es in compliance with the Settlement Agreement. Major accomplishments are described below by Settlement Agreement section.

Fish Passage at Lemolo 2 and Fish Creek (SA §4.3)

Modification of the fish ladder, including hydraulic evaluation, at the Lemolo 2 diversion dam was completed April 2006. Biological evaluation is scheduled for 2007. Design of the Fish Creek downstream fish screen, in collaboration with the RCC, progressed to the 90% level. Operation/maintenance and evaluation plans were drafted. The final design is expected to be filed in early 2007 and construction is scheduled to be completed by late 2007.

Instream Flow Facilities (SA §5.1)



To ensure delivery of new in-stream flow requirements in project bypass reaches, facilities were completed at the Lemolo 1, Lemolo 2, Clearwater 1 and Clearwater 2 diversion dams as well as at the Clearwater Reconnect for the Toketee bypass reach. Planning for construction of a weir at the Slide Creek dam continued during 2006, and construction is planned for early 2007. This weir will provide for minimum

instream flow in the Slide Creek bypass reach and also minimize ramping due to project operations.

Lemolo 2 Full-Flow Reach (SA §6.1)

A TWG of the RCC conducted a series of meetings during 2006 to address the Settlement Agreement requirement to reroute peaking flows out of the Lemolo 2 full-flow reach. In order to meet this requirement while at the same time safeguarding other sensitive resources in the area, a tentative route was agreed to that will convey tailwater from the Lemolo 2 powerhouse in a mostly buried pipe to upper Toketee Lake. Initial surveying and evaluations will begin in 2007, leading to a final design for this construction. Construction is scheduled for 2011.

Slide Creek Habitat Enhancement (SA §8.2)

Habitat construction was completed in 2005, and the final implementation report was provided to the RCC and FERC in February 2006. Monitoring began in 2006. During 2007, the TWG will review and submit a monitoring summary report to the RCC and FERC. The second and final year of monitoring is expected to be 2011.

North Umpqua River Habitat Restoration/Creation Project (SA §8.3)

Annual and periodic monitoring occurred according to the monitoring plan. Maintenance of the habitat structure during 2006 included bolstering an undercut log weir with 90 cubic yards of boulders and adding 1,000 cubic yards of spawning gravel. Per the monitoring plan, an annual report was submitted to the RCC.

Reconnection of the Clearwater River (SA 10.3)

PacifiCorp reconnected the Clearwater River through a complex facility that accommodated flows into Toketee Lake as well as flow in the reconnected channel that would pass woody debris, fish, and amphibians. Construction was completed and the facility became operational in April 2006. Evaluation of facility function will continue into 2007.

Restoring Riparian Habitats (SA §10.5)



The White Mule Creek restoration project was constructed in 2006.



Additional habitat plantings and site stabilization will occur during spring of 2007. Monitoring the success of these efforts will continue over the next several years.

Reconnecting Aquatic Sites (SA §10.6)

A draft plan was developed that provides agreement on locations and site-specific designs for aquatic site reconnections at small tributaries and seeps that are intercepted into project waterways. A total of 76 sites will be addressed over an 11-year period of the new license. Many of these efforts will be coordinated to also provide crossings over waterways for big game and other small wildlife.

Wildlife Crossings (SA §11.2)

Between 2004 and 2006, PacifiCorp installed six new wildlife crossings along the Clearwater 1 and 2 and Lemolo 1 and 2 canals. To optimize benefits for terrestrial and aquatic wildlife, five of the new wildlife crossings were combined with the reconnection of aquatic sites (SA §10.6). The wildlife crossing and five combined wildlife crossing/stream bridges were constructed according to the same



specifications and designs developed for big game bridges. A Terrestrial Connectivity Plan for implementing 33 additional crossings was drafted in 2006. The wildlife crossings are expected to be constructed by 2009.

Enhancement of Wetland Species Diversity (SA §11.5)

Design and construction was completed on the Stump Lake wetland during 2006, and additional plantings will be conducted in 2007. PacifiCorp, ODFW, and USDA-FS are finalizing designs for the Lemolo Lake wetland and construction is scheduled for 2007. Planning for the six remaining wetland enhancement projects will commence after 2007.



Power Pole Modifications (SA §13.1)

In 2005, PacifiCorp and the USDA-FS met to review distribution poles around Toketee Lake in the vicinity of the Toketee Lake bald eagle nest site. Poles requiring modification were identified, and designs were developed. Modifications were completed in 2006.

Fish Creek Canal Shutoff and Drainage (SA §14.2)

This is the first of three facilities that will automatically sense flume breaches and drain water from project waterways in a controlled manner to minimize the potential for erosion. To minimize design and construction conflicts, this project was combined in 2006 with the Fish Creek downstream fish screen project. Design reached the 90% level. Construction is planned for 2007.

Erosion-Site Remediation (SA §14.4)



Remediation of erosion sites continues to progress in advance of the schedule set forth in the Settlement Agreement. As of December 2006, work has been completed at 25 of the 50 identified erosion sites (50%). Final engineering design and construction work for remediation and restoration of the White Mule Creek (LM1-1) erosion site on Lemolo 1 is complete in 2006 with revegetation of the site to be completed in spring 2007.

Designs for remediation of four erosion sites planned for 2007 and six sites in 2008 have been submitted for review. Inspections of erosion sites continue to be conducted annually.

Transportation Management Plan (SA §15.1)

Progress continues on the implementation of the Transportation Management Plan. Development of the 5-year rolling action plan continues in 2006 with the goal of finalizing the process in early 2007. The rolling action plan will help coordinate and document maintenance activities and cost-sharing between USDA-FS and PacifiCorp on jointly-maintained facilities for years to come.

Landscaping (SA §16.2)

Design and construction was completed on landscaping of the Clearwater switching station and Clearwater maintenance area in 2006. Additional plantings at these locations will continue in spring and fall of 2007.



Rock Creek Fish Habitat Enhancement (SA §19.1)

During 2006, three years of baseline evaluations in East Fork Rock Creek (“EFRC”) were concluded, with the objective of determining enhancement actions that best benefit juvenile Coho salmon in tributary streams of the North Umpqua River. In 2006, PacifiCorp worked with ODFW and a consultant to develop plans for constructing habitat structure, consisting of large wood and boulders in the study reach of EFRC. Future habitat enhancements and evaluations will provide direction for use of SA §19.1 funding to benefit aquatic resources near the North Umpqua Hydroelectric Project. Construction of habitat structure, in preparation for completing these studies, is expected in 2007.

Long Term Monitoring/Predator Control (SA §19.2)



During 2006, the study plan was completed and approved by the RCC. Work was expanded to reflect the new, higher level of funding. The predator study was expanded to select the best technologies for future work. Long-term monitoring began, including operation of rotary smolt traps at three sites. ODFW oversees this effort with assistance from PacifiCorp and other RCC members.

Monitoring and Oversight (SA §19.4)

With funding provided by PacifiCorp to the 19.4 fund, ODFW hired two staff positions in 2006 to help oversee and monitor work associated with the ODFW Memorandum of Understanding. This will provide for monitoring and oversight for both on- and off-site mitigation efforts associated with the new license.

3.1.2 Plans and Reports

The following plans and reports were completed in 2006:

- *Slide Creek Powerhouse, Evaluation of Emergency Ramping, Study Plan*; June 2006 (SA §6.9)
- *Resource Coordination Plan*; July 2006 (SA §21.1)
- *Long-Term Monitoring and Predator Control Plan*; September 2006 (SA §19.2)
- *Historical Properties Management Plan*; September 2006 (SA §18.1)

These and previously completed plans are available on PacifiCorp's Web site at:
<http://www.pacificorp.com/Article/Article40597.html>

Many of these plans include 5-year rolling action plans that are updated on an annual basis.

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3.2 FERC License Actions

The FERC license contains actions that are required in addition to those actions in the Settlement Agreement. Table 3.2-1 summarizes the FERC License requirements that were fulfilled during the reporting period of January 1, 2006 through December 31, 2006.

**Table 3.2-1
FERC License Actions Status**

Date Filed	License Article No.	Settlement Agreement Section No.	Description	Status/ Comments
4/29/05	401	11.5	Wetland Restoration Plan	Approved 2/8/06
8/31/05	401	4.3.1(c)&(d)	Fish Creek & Lemolo 2 Fishway Operation & Maintenance Plans, and Lemolo 2 Fishway Operation & Maintenance Post Construction Evaluation Plan	Approved 1/19/06
11/16/05	401	USDA-FS 4e Cond. 15	Request for Extension of Time to file USDA-FS 4e Condition 15 (Sensitive Species Plan) <i>to 6/30/06</i>	Approved 4/20/06
11/30/05	401	USDA-FS 43 Cond. 13	Solid Waste and Waste Water Plan	Approved 5/23/06
11/30/05	401	USDA-FS 4e Cond. 14	Spill Prevention & Control, and Hazard Materials Management Plan	Approved 5/23/06
1/31/06	411	n/a	2005 Threatened & Endangered Species Monitoring Report	Letter issued 5/11/06; filing requirement satisfied
3/30/06	401	4.1.1f	Request for Extension of Time to file Soda Springs Tailrace Barrier Final Designs <i>to 1/31/07</i>	Approved 4/25/06
3/30/06	401	14.2	Request for Extension of Time to Install Fish Creek Waterway Drainage System <i>to 10/18/07</i>	Approved 4/25/06
5/15/06	401	11.5	Request for Change of Schedule to Wetland Restoration Plan	Approved 6/1/06
5/26/06	301, 304 & 306	10.5	White Mule Creek (100% Design Plans & Technical Specifications)	Approved 7/10/06
6/20/06	401	21.4.2	2005 Resource Coordination Committee Annual Report	Awaiting approval
6/23/06	401	USDA-FS 4e Cond. 15	Request for Extension of Time to file USDA 4e Condition 15 (Sensitive Species Plan) <i>to 11/30/06</i>	Approved 8/28/06
6/23/06	401	USDA-FS 4e Cond. 17	Request for Extension of Time to file USDA 4e Condition 17 (Survey & Manage Species Plan) <i>to 7/15/07</i>	Approved 7/13/06
6/30/06	301, 304 & 306	11.5	Stump Lake Wetland Restoration (100% Design Plans, Technical Specifications, QCIP, & TCEAP)	Approved 8/14/06

SECTION 4.0 FIDUCIARY REPORTING

Consistent with Settlement Agreement fiduciary account reporting requirements, this section provides account information for the following actions:

- SA §7.2.3 (amended). Gravel Augmentation Program Funding and Accounting
- SA §8.3.5 (amended). North Umpqua River Habitat Restoration/Creation Project Funding and Accounting
- SA §19.1.1.3 Tributary Enhancement Account Reporting
- SA §19.3.1 Mitigation Fund Annual Reporting

4.1 Summary of Fund Payments

As required by SA §§7.2.3, 8.3.5, 19.1.1.3, and 19.3.1, the annual amounts of total payments made by PacifiCorp are summarized in Table 4.1-1, fulfilling the Settlement Agreement requirement to annually report the amount deposited and disbursed for each account. The Settlement Agreement does not require annual reporting for the SA §19.2 Long-Term Monitoring and Predator Control Fund. Since this exclusion was likely an oversight, the deposited and disbursed amounts are provided in Table 4.1-1. Detailed accounting for SA §§7.2, 8.3, 19.1, and 19.2 is provided in Appendix A.

**TABLE 4.1-1
Settlement Agreement Fund Status Summary**

7.2.3 Gravel Augmentation Program	
2002 Opening Balance	\$175,000
2002 Expenditures	\$0
2002 Ending Balance	\$175,000
2003 Escalation	\$1,337
2003 Opening Balance	\$176,337
2003 Expenditures	(\$10,385)
2003 Ending Balance	\$165,952
2004 Escalation	\$2,655

2004 Opening Balance	\$168,607
2004 Expenditures	(\$119,488)
2004 Ending Balance	\$49,119
2005 Escalation	\$688
2005 Opening Balance	\$49,807
2005 Expenditures	\$0
2005 Ending Balance	\$49,807
2006 Escalation	\$1,450
2006 Opening Balance	\$51,257
2006 Expenditures	(\$17,989)
2006 Ending Balance	\$33,268
8.3.5 North Umpqua Habitat Restoration/Creation Project	
2002 Opening Balance	\$410,000
2002 Expenditures	\$0
2002 Ending Balance	\$410,000
2003 Escalation	\$3,132
2003 Opening Balance	\$413,132
2003 Expenditures	(\$47,340)
2003 Ending Balance	\$365,792
2004 Escalation	\$5,853
2004 Opening Balance	\$371,645
2004 Expenditures	(\$102,715)
2004 Ending Balance	\$268,930
2005 Escalation	\$3,765
2005 Opening Balance	\$272,695
2005 Expenditures	(\$9,010)
2005 Ending Balance	\$263,685
2006 Escalation	\$7,678
2006 Opening Balance	\$271,363
2006 Expenditures	(\$68,129)
2006 Ending Balance	\$203,234

19.1.1.3 Tributary Enhancement Fund (State)	
2004 Opening Balance (Deposit)	\$2,096,159
2004 Expenditures	\$0
2004 Interest Earned (\$11,973 minus bank basis fee \$3,522)	\$8,451
2004 Ending Balance	\$2,104,610
2005 Annual Funding Deposit ¹	\$409,015
2005 Expenditures	\$0
2005 Interest Earned (\$65,420 minus bank basis fee \$6,256)	\$59,164
2005 Ending Balance	\$2,572,789
2006 Annual Funding Deposit ²	\$509,330
2006 Expenditures	(\$3,805)
2006 Interest Earned (\$136,850 minus bank basis fee \$7,739)	\$129,111
2006 Ending Fund Balance	\$3,207,425
19.2.1 Long Term Monitoring and Predator Control Fund	
2004 Opening Balance (Deposit)	\$20,957
2004 Expenditures	(\$8,387)
2004 Interest Earned (\$120 minus bank basis fee \$35)	\$85
2004 Ending Balance	\$12,655
2005 Annual Funding Deposit	\$21,248
2005 Expenditures	(\$6,326)
2005 Interest Earned (\$1,082 minus bank basis fee \$102)	\$980
2005 Ending Balance	\$28,557
2006 Annual Funding Deposit	\$192,321
2006 Expenditures	(\$85,671)
2006 Interest Earned (\$9,681 minus bank basis fee \$543)	\$9,138
2006 Ending Fund Balance	\$144,345
19.3.1 Mitigation Fund	
2004 Opening Balance (Deposit)	\$1,309,635
2004 Interest Earned	\$2,338
2005 Annual Funding Deposit	\$265,594
2005 Interest Earned	\$5,368
2006 Annual Funding Deposit	\$1,341,636

2006 Expenditures	(\$41,825)
2006 Interest Earned	\$9,347
2006 Ending Balance	\$2,892,093

¹ Per RCC approval, \$45,000 was subtracted out of the annual deposit for an additional 2005 Early Implementation Project - Rock Creek Fishway Design.

² Annual deposit includes \$45,000 of unspent Rock Creek Fishway Design funding, originally included as a 2005 Early Implementation project.

SECTION 5.0 CONCLUSION

The material presented in the 2006 Annual Report represents the benefit of a productive year that was made possible by the dedication of the RCC members and their respective staff, PacifiCorp's North Umpqua Implementation Team members, and the public. This collaborative approach provided an effective framework for implementing the Settlement Agreement in a highly valued watershed.

The RCC ground rules and protocols for interagency teamwork and communication have provided an effective and collaborative framework for watershed management in accordance with the goals of the Settlement Agreement. All Parties worked cooperatively toward meeting Settlement Agreement schedule commitments during the report period. In most cases, projects were completed on schedule. The schedule for completing the Fish Creek fish screen project was modified to improve efficiency by combining construction of the fish screen with the canal drainage system.

During the 2006 report period, the RCC reached consensus on final design plans for three significant construction projects: the Soda Springs tailrace barrier, the Fish Creek downstream fish screen, and the Fish Creek canal shutoff and drainage system. They also approved a plan for the Predator Study and Long-Term Monitoring of fish passage success – a program that will span the 35-year license term.

The Stump Lake wetland and the White Mule riparian restoration projects were constructed.

Ramping restrictions became more stringent during 2006 than in previous years, to improve aquatic resources. To meet the new restrictions, new instream flow facilities were completed in 2006 to better manage flows in five bypass reaches: Lemolo 1 and 2, Clearwater 1 and 2, and Toketee. New facilities were built during previous years for the Soda Springs and Fish Creek bypass reaches, and operational changes were implemented for the Slide Creek bypass reach while new facilities were designed in 2006 for construction in early 2007.

The year ahead is likely to be equally gratifying, as the RCC moves forward with major constructions projects on Fish Creek and at the Soda Springs powerhouse. Other projects scheduled for 2007 include developing the final designs for fish passage facilities at Soda Springs dam, final designs for the Clearwater canal shutoff and drainage system, construction of wildlife crossings on the Clearwater system, and creation of a wetland at Lemolo Lake. The RCC and technical staff will be actively involved in these projects as well as the many ongoing plan activities, ensuring that all interests are addressed consistent with the intent of the Settlement Agreement.

PacifiCorp, in partnership with the Parties, continues to learn more each year, and values the increased role of FERC in the era of new license implementation.

Appendix A

Detailed Accounting

RCC Reporting

SA §7.2 Gravel Augmentation

Date	Item	Costs	Balance
2006	Opening Balance		\$49,807
2006	2006 Escalation (as per SA 22.4.4)	\$1,450	\$51,257
2006	Opening Balance		\$51,257
2006	Expenditures		
	July 2006 - Reconnaissance Survey (Stillwater Sciences)	(\$447)	\$50,810
	Aug 2006 - Reconnaissance Survey (Stillwater Sciences)	(\$5,033)	\$45,777
	Sept/Oct 2006 - Reconnaissance Survey (Stillwater Sciences)	(\$9,660)	\$36,117
	Nov 2006 - Priority Site Assessment (Stillwater Sciences)	(\$2,849)	\$33,268
2006	Ending Balance		\$33,268

RCC Reporting

SA §8.3 North Umpqua River Habitat Restoration/Creation

Date	Item	Costs	Balance
2006	Opening Balance		\$263,685
2006	Escalation (per SA 22.4.4)	\$7,678	\$271,363
2006	Expenditures		
	June 2006 - Salmon Spawning Habitat (Land & Water)	(\$2,646)	\$268,717
	July 2006 - Salmon Spawning Habitat (Land & Water)	(\$2,316)	\$266,401
	Aug 2006 - Salmon Spawning Habitat (Land & Water)	(\$645)	\$265,756
	July 2006 - SS Bypass Reach Spawning Habitat (Weekly Bros.)	(\$35,000)	\$230,756
	Aug 2006 - SS Bypass Reach Spawning Habitat (Weekly Bros.)	(\$24,367)	\$206,389
	Sept 2006 - SS Bypass Reach Spawning Habitat (Weekly Bros.)	(\$2,671)	\$203,718
	July 2006 - DSL Joint Permit Application Fee	(\$484)	\$203,234
2006	Ending Balance		\$203,234

RCC Reporting

SA §19.1 Tributary Enhancement

Date	Item	Costs	Balance
2006	Opening Balance		\$2,572,789
2006	Annual Funding	\$509,330*	\$3,082,119
2006	Expenditures		
	April 2006 - Enhancement Design (Stillwater Sciences)	(\$2,249)	\$3,079,870
	Oct 2006 - Enhancement Design (Stillwater Sciences)	(\$101)	\$3,079,769
	Nov 2006 - Enhancement Design (Stillwater Sciences)	(\$1,455)	\$3,078,314
2006	Interest Earned (\$136,850 minus bank basis fee \$7,739)	\$129,111	\$3,207,425
2006	Ending Balance		\$3,207,425

* Includes return of unspent Rock Creek Fishway Design funding, originally included in the 2005 Early Implementation Program.

RCC Reporting

SA §19.2 Long Term Monitoring and Predator Control

Date	Item	Costs	Balance
2006	Opening Balance		\$28,557
2006	Annual Funding	\$192,321	\$220,878
2006	Expenditures		
	Jan 2006 - LT Monitoring (Stillwater Sciences)	(\$1,200)	\$219,678
	Feb 2006 - LT Monitoring (Stillwater Sciences)	(\$5,810)	\$213,868
	Mar 2006 - LT Monitoring (Stillwater Sciences)	(\$4,288)	\$209,580
	April 2006 - LT Monitoring (Stillwater Sciences)	(\$265)	\$209,315
	May 2006 - LT Monitoring (Stillwater Sciences)	(\$9,672)	\$199,643
	June 2006 - LT Monitoring (Stillwater Sciences)	(\$3,207)	\$196,436
	July 2006 - LT Monitoring (Stillwater Sciences)	(\$810)	\$195,626
	Aug/Sept 2006 - LT Monitoring (Stillwater Sciences)	(\$882)	\$194,743
	Apr 2006 - Fish Sampling (PUR)	(\$6,146)	\$188,597
	May 2006 - Fish Sampling (PUR)	(\$9,901)	\$178,696
	June 2006 - Fish Sampling (PUR)	(\$14,509)	\$164,187
	July 2006 - Fish Sampling (PUR)	(\$2,378)	\$161,809
	Aug 2006 - Fish Sampling (PUR)	(\$1,986)	\$159,823
	Sept 2006 - Fish Sampling (PUR)	(\$7,184)	\$152,639
	Oct 2006 - Fish Sampling (PUR)	(\$8,943)	\$143,696
	Aug 2006 - Smolt Trap Upgrades (EG Solutions)	(\$6,924)	\$136,772
	Apr 2006 - Soda Springs Hydroacoustics (MaxDepth)	(\$1,000)	\$135,772
	Aug 2006 - Mini Tracker Reader	(\$565)	\$135,207
2006	Interest Earned (\$9,681 minus bank basis fee \$543)	\$9,138	\$144,345
2006	Ending Balance		\$144,345

RCC Reporting

SA §19.3 Mitigation Fund

Date	Item	Costs	Balance
2006	Opening Balance		\$1,582,935
2006	Annual Funding	\$1,341,636	\$2,924,571
2006	Expenditures		
	Feb 2006 - Development of a process and criteria for mitigation fund project selection.	(\$41,825)	\$2,882,746
2006	Interest Earned	\$9,347	\$2,892,093
2006	Ending Balance		\$2,892,093