

NORTH UMPQUA HYDROELECTRIC PROJECT

FERC P-1927

Protection, Mitigation, and Enhancement Measures



2010 Annual Report

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Executive Summary

PacifiCorp Energy (PacifiCorp) is implementing Protection, Mitigation, and Enhancement (PM&E) Measures on the North Umpqua Hydroelectric Project (Project) identified in the June 13, 2001 Settlement Agreement (Settlement Agreement, or SA) and the Federal Energy Regulation Commission (FERC) license (FERC P-1927) issued on November 18, 2003. The license was considered final on October 18, 2005, as defined in the Settlement Agreement. This milestone initiated full implementation of PM&E Measures identified in the Settlement Agreement. This annual report documents PacifiCorp's project and fiduciary activities from January to December 2010.

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 implementation of the Settlement Agreement. During the reporting period, the RCC conducted 11 regularly scheduled meetings that involved opportunities for public participation. As in past years, the RCC again sponsored an on-site public tour of ongoing implementation projects on October 13, 2010.

The PM&E Measures follow a schedule outlined in the Settlement Agreement. License PM&E Measures for this reporting year are those due between January and December 2010.

In 2010, key accomplishments included:

- Commencing construction of the Soda Springs fish passage facilities (SA Section 4.1.1, 4.1.2); significant progress was achieved despite encountering unexpected geotechnical conditions that required several structural modifications consistent with the original facility designs.
- Completing the 100% design for the Slide Creek tailrace barrier (SA Section 4.1.1f); work was initiated on site to prepare for construction of the facility in 2011.
- Completing a modification of the trashrack at Toketee Lake to prevent entrainment of resident trout (SA Section 4.3.3).
- Completing the 100% designs for a facility to reroute outflow from the Lemolo 2 powerhouse to Toketee Lake, thereby preventing fluctuations in the North Umpqua River that could impact aquatic resources (SA Section 5.4).
- Continuing an experimental water management regime and monitoring at Lemolo Reservoir in an effort to develop a long-term solution to blooms of blue-green algae.
- Constructing aquatic site reconnections along the Lemolo No. 2 waterway to prevent interception of small tributary streams and seeps, and enhancing connectivity within the watershed near the hydro project (SA Section 10.6).
- Creation of a wetland at the Lemolo 1 forebay, and development of preliminary designs for a wetland enhancement project near Stinkhole pond (SA Section 11.5).

- Rebuilding a boat ramp at the Poole Creek Campground at Lemolo Reservoir (SA Section 17.8); this improved facility will ensure boat access from the opening day of fishing season through mid-October.
- Ongoing research at East Fork Rock Creek, part of a long-term study that will guide future use of funding to provide for aquatic resources in the Rock Creek basin (SA Section 19.1).
- Continued monitoring of fish populations to characterize baseline conditions from which to judge the success of providing anadromous fish passage at Soda Springs dam (SA Section 19.2).
- Completion of 5-year rolling action plans, as part of various Management Plans, that provide long-term guidance for cooperative management of multiple resources within the Project area (SA Section 21.1).

The RCC met in January to plan actions for 2010, as specified in the Resource Coordination Plan. This forum is conducted annually to coordinate the Parties' collaborative efforts in meeting the intent of the Settlement Agreement. Regularly scheduled RCC meetings continue to oversee current and future PM&E Measures.

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 194 megawatts of power. The project was constructed between 1947 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 identifies annual reporting requirements that range from fiduciary reporting to narrative description of actions. This annual report represents a calendar year timeframe (January to December 2010) and contains the following reporting requirements:

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

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. On September 1, 2005, the Court ruled the case in favor of FERC, USDA-FS, and PacifiCorp. The license was therefore considered final on October 18, 2005.

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/es/hydro/hl/nur.html#>

1.2 Resource Coordination Committee

SA Section 21 establishes a process to facilitate coordination and decision-making concerning implementation of Settlement Agreement measures. To accomplish this objective, SA Section 21.1 provides for the creation of the Resource Coordination Committee (RCC) consisting of representatives from the signing Parties. The purposes of the RCC, discussed in detail in SA Section 2.0, are to 1) facilitate coordination and consultation on plans developed by PacifiCorp for the implementation of PM&E Measures; 2) coordinate the implementation of PM&E Measures 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 2010 North Umpqua Hydroelectric Project Annual Report provides the following information:

Section 1.0 Introduction

Section 2.0 Resource Coordination Committee

- 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&E Measures
- Section 3.2 FERC License Actions

Section 4.0 Fiduciary Reporting

Section 5.0 Conclusion

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 reporting period, including 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 Section 21.1, is to facilitate coordination and implementation of PM&E Measures. 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 Section 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&E Measures.

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 Section 21.1).
- Coordinate the implementation of PM&E Measures and ongoing monitoring requirements by PacifiCorp (SA Section 21.1).
- Coordinate responses and evaluations specifically assigned to the RCC (SA Sections 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 Section 7.2).
- Facilitate coordination and consultation on plans developed by PacifiCorp (SA Section 21.1).

- Review and comment on the draft annual report of RCC activities and implementation of PM&E Measures (SA Section 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 Section 19.1).
- Administration of the Mitigation Fund through USDA-FS (SA Section 19.3).
- Approval of plans and actions regarding specific PM&E Measures assigned to individual organizations for resource protection (SA Section 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/es/hydro/hl/nur.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
2010 Resource Coordination Committee Members

RCC Member	Organization
Pam Sighting	USDA Forest Service, Umpqua National Forest, Roseburg, Oregon
Jim Thrailkill	USDI Fish and Wildlife Service, Roseburg, Oregon
Ariel Hiller	USDI Bureau of Land Management - Roseburg District, Roseburg, Oregon
Ed Meyer	National Marine Fisheries Service, Portland, Oregon
Dave Harris	Oregon Department of Fish and Wildlife, Roseburg, Oregon
Chris Stine	Oregon Department of Environmental Quality, Eugene, Oregon
Craig Kohanek	Oregon Water Resources Department, Salem, Oregon
Monte Garrett	PacifiCorp Energy, Portland, Oregon

2.3 RCC Meetings

During the reporting period, the RCC conducted 11 regularly scheduled meetings to finalize study plans, discuss implementation objectives for PM&E Measures, and facilitate the overall Settlement Agreement implementation. In addition to these regularly scheduled meetings, an annual work planning session is held in January each year to discuss what worked well and what could be improved, and to review project work plans (including the SA 19.3 Mitigation Fund projects) for the coming year. 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/content/dam/pacificorp/doc/Energy_Sources/Hydro/Hydro_Licensing/North_Umpqua_River/RCC_Ground_Rules.pdf

Meeting summaries are drafted for RCC 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.

This section provides major items covered at RCC meetings during the reporting period. Detailed meeting summaries are provided on the PacifiCorp Web site at: <http://www.pacificorp.com/es/hydro/hl/nur.html#>.

- The Lemolo 2 canal shutoff & drainage project was successfully tested on March 2.
- The Soda Springs fish passage construction contract award went to Todd Construction/Weekly Bros on May 21. Construction commenced on June 8.
- The work area at the base of the Soda Springs fish passage dam was dewatered which resulted in a fish salvage that lasted over a gradual 4-day period from June 21-25. PacifiCorp staff was assisted by staff from ODFW, USDA-FS and the contractor. The highlight was the salvage of 54 adult spring Chinook salmon as the pool was pumped down.
- AECOM built a 1:15 model (45 ft long x 15 ft wide) of the Slide Creek tailrace barrier. The RCC witnessed a successful test of this model on June 23.
- The Toketee trash rack modification project commenced on August 10 and was completed on October 5.
- The Lemolo 1 forebay liner was completely installed by August 27, 2010. The filling of the forebay commenced on September 16 and was filled at 7 CFS over the course of five days.
- On August 18, the RCC approved a flow reduction request to allow flows in Slide Creek bypass reach to be reduced periodically in future years to allow monitoring of resident fish populations.
- The annual public tour was held on October 13.
- Construction of the Poole Creek boat ramp started on October 5 and was completed on October 29.
- Slide Creek tailrace barrier preliminary work was completed by mid-December. This work included a parking lot extension in front of the powerhouse and road behind the powerhouse for a crane pad and access to the new tailrace barrier.
- The 2011 annual planning workshop was scheduled for February 3, 2011.

SECTION 3.0

PROTECTION, MITIGATION, AND ENHANCEMENT MEASURES

This section presents 2010 progress of PM&E Measures defined in the North Umpqua Settlement Agreement and the FERC license. 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&E Measures, when necessary. In such instances, the Parties convene and modify Settlement Agreement implementation dates if all Parties are in agreement that such modifications are warranted. Delays in implementation are typically needed only to further refine plans for the action in order to ensure greater success.

3.1 Implementation of PM&E Measures

The schedule for all PM&E Measures and their status is presented in Table 3.1-1. The status of the PM&E Measures 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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**TABLE 3.1-1
Implementation Schedule and Status of PM&E Measures**

Key	
	Due Date
x	In Progress
●	Complete

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						x	x	x	●						
4.1.1(d)	Soda Springs Fish Ladder O&M/ Evaluation Plan						x	x	x	●						
4.1.1(e)	Soda Springs Fish Ladder Construction										x					
4.1.1(f)	Soda Springs Tailrace Barrier Design/Construction					x	x	●								
4.1.1(f)	Slide Creek Tailrace Barrier Design									x	●					
4.1.1(f)	Slide Creek Tailrace Barrier Construction										x					
4.1.2(a)	Soda Springs Downstream Screen Design						x	x	x	●						
4.1.2(b)	Soda Springs Downstream Screen O&M/Evaluation Plan						x	x	x	●						
4.1.2(d)	Soda Springs Downstream Screen Construction										x					
4.1.2(f)	Soda Springs Downstream Passage Spillway Modifications Design						x	x	x	●						
4.1.2(f)	Soda Springs Downstream Passage Construction										x					
4.3.1(a)	Lemolo 2 Fishway Modifications Design				x	●										
4.3.1(a)	Lemolo 2 Fishway Modifications Construction					x	●									
4.3.1(c/d)	Lemolo 2 Fishway Modifications O&M/ Evaluation Plan				x	●										
4.3.1(d)	Lemolo 2 Post-construction Evaluation							x	●							
4.3.2(a)	Fish Creek Downstream Screen Design					x	x	●								
4.3.2(a)	Fish Creek Downstream Screen Construction							x	●							
4.3.3	Toketee Trashrack Modification								x	x	●					
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					x	x	x	x	x	x					
5.5	Instream Flow Gage Installation		●													
5.5	Instream Flow Monitoring Plan		x		●											

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

Key	
	Due Date
x	In Progress
●	Complete

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																
5.6	ODFW Holding Ponds Water Supply	●	●	●	●	●	●	●	●	●	●					
6.0 RAMPING																
6.1	Lemolo 2 Full Flow Reach Installation					x	x	x	x	x	x					
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						x	x	x	●						
7.0 RESTORATION OF FLUVIAL PROCESSES																
7.1	Gravel Augmentation below Soda Springs Dam				●											
7.2	Gravel Augmentation Program	●	●	●	●	●	●	●	●	●	●					
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	x	●													
8.2.2	Slide Creek Monitoring Plan		x	x	●											
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			●												

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

Key	
	Due Date
x	In Progress
●	Complete

SA Section	PM&E	YEAR														
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015+
8.3.4	Soda Springs Baseline Habitat Survey and 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 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																
10.2	Stump Lake Connectivity Invertebrate Ladder							x	x	●						
10.3	Clearwater River Reconnection Design/Construction					x	●									
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						x	●								
10.5	Riparian Restoration - Potter Creek		x	x	x	x	●									
10.6	Reconnecting Aquatic Connectivity Sites							x	x	x	x	x				
11.0 TERRESTRIAL RESOURCES																
11.1	Big Game Bridge Widening (29)				●											
11.2	Wildlife Crossings (39)						x	x	x	●						
11.3	Wildlife Monitoring Plan						x	●								
11.4	Wildlife Underpasses (9)					●										
11.5	Stump Lake Wetland						●									
11.5	Stinkhole Wetland										x					
11.5	Ranawapiti Pond Wetland									●						
11.5	Lemolo/Forebay Expansion Area								x	x	●					
11.5	Lemolo Lake Wetland							●								
11.5	Wetland Areas: #1, #2, & #3															

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

Key	
	Due Date
x	In Progress
●	Complete

SA Section	PM&E	YEAR														
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015+
12.0 VEGETATION MANAGEMENT																
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 - Fish Creek						x	x	●							
14.2	Canal Shutoff & Drainage System - Clearwater 2							x	●							
14.2	Canal Shutoff & Drainage System - Lemolo 2								x	●						
14.4.2	High Priority Erosion Sites: Fish Creek				●											
14.4.2	High Priority Erosion Sites: Clearwater & Lemolo				x	x	x	x	x	x	●					
14.4.3	Medium Priority Erosion Sites (27)				x	x	x	x	x	x	x					
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		x	x	x	x	x	x	x	x	●					
15.5	Bridges - Inspections/Maintenance	●	●	●	●	●	●	●	●	●	●					
15.5.1	Bridge Maintenance Cost Sharing					●	●	●	●	●	●					
15.6	Fish Culvert Upgrades					x	x	x	x	x	x					
15.6	100-Year Flood Culvert Upgrades			x	x	x	x	x	x	x	x					
15.6	Culvert Maintenance on PPL Use Roads		●	●	●	●	●	●	●	●	●					
16.0 AESTHETICS																
16.1	Aesthetics Management Plan Implementation				●	●	●	●	●	●	●					
16.2	Landscaping Clearwater Shop						x	●								

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

Key	
	Due Date
x	In Progress
●	Complete

SA Section	PM&E	YEAR														
		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015+
16.2	Landscaping Clearwater Switchyard						x	●								
16.4	Transmission Line Evaluation (Design)					●										
16.4	Transmission Line Mitigation (11 Sites)								x	●						
17.0 RECREATION																
17.2	Recreation O&M Funding				●	●	●	●	●	●	●					
17.7	Law Enforcement Funding				●	●	●	●	●	●	●					
17.8	Recreation - Deferred Capital Improvement Funding		●	●	●			●								
17.8	Recreation - Capital Improvements							●	●	●	●					
17.9	Public Information Funding				●	●	●	●	●	●	●					
17.10	Annual Monitoring Funding				●	●	●	●	●	●	●					
17.11	Recreation: NW Forest Plan Compliance Funding				●			●								
18.0 CULTURAL																
18.1	Historic Properties Management Plan			x	x	x	●									
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				●	●	●	●	●	●	●					
19.1.1	Tributary Enhancement Account - Use of Funds					●	●	●	●	●	●					
19.2	Long-Term Monitoring/Predator Control Funding				●	●	●	●	●	●	●					
19.2.1	Long-Term Monitoring/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 & DECISION-MAKING																
21.1	Resource Coordination Committee	●	●	●	●	●	●	●	●	●	●					
21.1	Resource Coordination Plan - Developed and Implemented					x	●	●	●	●	●					
21.4.2	Annual Report		●	●	●	●	●	●	●	●	●					
21.5	Site Specific Plan Development	●	●	●	●	●	●	●	●	●	●					

**TABLE 3.1-2
2010 Status of PM&E Measures**

SA Section	PM&E	Due Date	Status
4.1	Fish Passage at Soda Springs Dam Design/Construct/Evaluate/Operations and Maintenance	2009 – design and prepare plans 2012 – complete construction 2013 – complete evaluation	During 2010, designs were approved by FERC and construction was contracted and initiated. Primary work completed included ground preparation within the river channel, coffer damming of winter work areas, and foundations for the fish ladder entrance and fish screen. Spillway modifications were nearing completion. Construction will continue through 2012.
4.1.1(f)	Slide Creek Tailrace Barrier & Bypass Design /Construct Refer to SA Section 6.9 for Bypass project	2009 – conceptual design 2010 – complete design, plans, permits 2011 – complete construction 2012 – complete evaluation	Conceptual designs were completed in 2009. Design stayed on track through 2010 and is expected to be approved by the agencies in January 2011. Some preparatory road and culvert work was completed in 2010, to help prepare for the 2011 barrier work.
4.3.3	Toketee Trash Rack Modifications	2010	Project was designed and constructed according to specifications and with ODFW approval during 2010.
5.1	Instream Flow Increases in Project Bypass Reaches	2005	A river gage relocation occurred in Slide Creek bypass to improve monitoring of instream flows in that reach.
5.4, 6.1	Lemolo 2 Full-Flow Reach	2011	Final design and permitting was completed in 2010. Construction is scheduled to start in early 2011.
5.5	Instream Flow Monitoring Plan	Ongoing	Monitoring and reporting continues as required in the Plan.

SA Section	PM&E	Due Date	Status
6.4	Wild and Scenic Ramping Restrictions	Ongoing	Ramping restrictions have been followed within equipment limitations per the Flow Monitoring Plan.
6.5, 6.6	Bypass Reach Ramping Restrictions	Ongoing	Ramping restrictions and reporting requirements have been followed per the Flow Monitoring Plan.
6.9	Slide Creek Powerhouse Emergency Ramping Evaluation (Refer to SA Section 4.1.1(f) (Slide Creek) for the combined projects)	2006 No required date –current completion schedule is the same as the Slide Creek tailrace barrier	Evaluation was completed and facility improvements have been addressed in the design of the Slide Creek tailrace barrier. An emergency bypass gate will be provided at the penstock intake's side channel spillway. Final designs were approved by the agencies and the gate will be built in 2011.
7.2	Gravel Augmentation Program (as per SA Amendment No. 1)	2002+	Monitoring continues on the results of the experimental gravel pulse built in 2004 and subsequent gravel dynamics. The technical working group (TWG) will use these findings 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	Monitoring continues according to the plan. 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 monitoring occurred according to the plan. The habitat continues to be used by substantial numbers of salmon and steelhead. An annual report was submitted to the RCC.

SA Section	PM&E	Due Date	Status
9.1	Funding for Production of Rainbow Trout for Stocking	2004+	PacifiCorp provided \$18,522.94 to the ODFW.
9.3	Lemolo Reservoir Management Plan and Limits on Drawdown Rate and Elevations	Ongoing	Water levels and drawdown rates were monitored according to the Flow Monitoring Plan. Lake management and consultation proceeded according to the Lemolo Reservoir Management Plan.
9.5	Salvage of Fish During Maintenance Shutdowns	Ongoing	Advance notice of maintenance shutdowns and the salvage and liberation of fish continued as required.
10.3	Reconnection of Clearwater River	2005	Facility evaluation by the ODFW is complete and a final report is expected soon.
10.6	Aquatic Connectivity	Ongoing	Additional review and coordination by PacifiCorp, the ODFW, and the USDA-FS continued this year on development of site designs and the reconnection of aquatic sites. Five stream bridge sites and one culvert site were constructed in 2010. Site-specific designs for 20 sites have been developed in consultation with the agencies; six stream bridge sites will be constructed in 2011 pending approvals and permitting. Up to nine additional culvert sites will be constructed pending budget allowance. Additional designs are in development.
11.2	Wildlife Crossings	2009	Sixty eight wildlife crossings were constructed across project waterways. Use monitoring of a sample of the 24 crossings began in 2009 and will continue through 2011.
11.5	Wetland Development	2006-2011	Construction of the Lemolo 1 forebay wetland enhancement was completed in 2010. The Stinkhole

SA Section	PM&E	Due Date	Status
			wetland design consultation and construction will occur in 2011.
12.1	Vegetation Management Plan Implementation	Ongoing	The Vegetation Management Plan (VMP) is being implemented. Noxious weed treatments are being conducted on both BLM and USDA-FS lands on an annual basis. The noxious weed training program was developed and implemented and will continue on an annual basis per the VMP. The horticultural invasive species program was also developed and implemented and will continue as necessary to satisfy VMP requirements. The 2010 5-year rolling action plan was presented to both the USDA-FS and the BLM in December.
13.1	Power Pole Modification	Ongoing	No power pole modifications were needed this year.
13.4	Records Database Management System	Ongoing	PacifiCorp continues to maintain a database for management of birds on power lines. An annual report summarizing avian-powerline program activities occurring within the Project area was submitted to the USDA-FS in February.
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.
14.2	Canal Shutoff and Drainage Systems	2007-2009	<u>Fish Creek</u> : Construction was completed in 2008, but improvements continue on the communication system. Further upgrades and testing occurred in 2009 and 2010, are planned to conclude in 2011. <u>Clearwater 2</u> : Constructed in 2008; tested successfully in 2009.

SA Section	PM&E	Due Date	Status
			<u>Lemolo 2</u> : Constructed during 2009; tested successfully in 2010.
14.4	Erosion Site Remediation	2016	Two sites this year (CW2-12 and CW2-13) were placed in annual monitoring status. Historical records indicated no movement or erosion to date but will continue to be monitored.
15.1 – 15.4	Transportation Management Plan Implementation	2004+	The Transportation Management Plan continues to undergo implementation. Culvert inspections and maintenance are being performed annually. The 5-year RAP was developed in consultation with the USDA-FS and the BLM. Road decommissioning responsibilities were completed in 2010 via a financial plan with USDA-FS. The 2010 road maintenance cost share amount was \$161,484; of which PacifiCorp's share was \$39,357.
15.5, 15.5.1	Bridges – Inspections/ Maintenance; Bridge Cost Sharing	Biennial	Bridge inspections have been conducted on PacifiCorp-exclusive and jointly maintained roads every two years: 2003, 2005, 2007, and 2009. All critical bridge maintenance has been completed. Major progress has been made toward completion of non-critical bridge maintenance and deferred maintenance tasks by 2015. A cost-sharing agreement was finalized in 2009 to provide the guidelines for cost-sharing on jointly maintained bridges. 2011 bridge inspections have been contracted and will be conducted during the summer of 2011.
15.6	Fish Passage and Q100 Culvert Upgrades	2005-2010	All fish passage projects on PacifiCorp-exclusive roads have been completed. The last remaining Q100 culvert upgrade on PacifiCorp-exclusive roads (culvert no. 1035) has been postponed to coincide with related aquatic

SA Section	PM&E	Due Date	Status
			connectivity projects. PacifiCorp continues to fund the USDA-FS culvert upgrades on jointly maintained roads.
16.1, 16.3, 16.4	Visual Resources (Aesthetics) Management Plan	Ongoing	The Visual Resources (Aesthetics) Management Plan is final and undergoing implementation. The 5-year rolling action plan (RAP) is developed annually in December.
17.1	Recreation Resources Management Plan Implementation	Ongoing	The Plan is final and implementation occurs through the 5-year RAP process. The 2010 RAP was approved by the USDA-FS and identified actions were completed.
17.2	Campground Operations and Maintenance	Annual	PacifiCorp provided \$140,493 to the 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 \$9,879 to the USDA-FS for land-based law enforcement support at recreation facilities in the FERC project boundary.
17.8	Capital Improvements	Annual through 2012; future years will be monitoring-dependent	No capital improvement funding was provided to the USDA-FS this year.
17.9	Public Information	Annual	PacifiCorp provided \$8,854 to the USDA-FS.
17.10	Recreation Monitoring Recreation Monitoring (Periodic Surveys)	Annual 2007, 2013, 2019, 2025, 2031, and 2037	PacifiCorp provided \$8,854 to the USDA-FS.

SA Section	PM&E	Due Date	Status
18.1	Cultural Resources (Historic Properties) Management Plan Implementation	Ongoing	The Historic Properties Management Plan and Historic Structures Plan are both finalized and undergoing implementation. The 2010 5-year RAP was developed in consultation with the USDA-FS, the BLM, and the SHPO.
18.6	Cultural Resources Monitoring	Ongoing	PacifiCorp will continue to coordinate ground-disturbing activities with the USDA-FS, the BLM, and the SHPO to continue monitoring and protection of historic properties.
19.1.1	Tributary Enhancement Account	Annual	PacifiCorp deposited \$530,990.97 to this account for future work associated with the ODFW Memorandum of Understanding. It funded work on fish habitat enhancements and fish passage improvements.
19.2	Long-Term Monitoring and Predator Control	Annual	PacifiCorp deposited \$185,229.41 to this account. Long-term monitoring and predator study work proceeded according to the study plan.
19.3	Mitigation Fund	Annual	PacifiCorp deposited \$308,715.68 to the USDA-FS account.
19.4	Oversight Costs	2006+	PacifiCorp provided \$200,047.76 to the ODFW for the funding of two full-time ODFW personnel to help oversee and monitor work associated with the ODFW MOU.
21.4.1	RCC	Ongoing	The RCC continued to facilitate the implementation of PM&Es. 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.

3.1.1 Major Accomplishments

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

Slide Creek Tailrace Barrier Design (SA Section 4.1.1f)

PacifiCorp's consultant worked with the technical working group to complete the 30%, 60%, and 90% facility designs in March, July, and October 2010. By year end the final design went to the FERC for their approval. As part of the design process, a hydraulic model was developed to assure adequate flow criteria would be met across the barrier structure. In preparation for the 2011 barrier construction, PacifiCorp expanded the entrance to Slide Creek Plant and extended a rear access road across the penstock to the river edge for the 2011 plant overhaul.

Fish Passage at Soda Springs Dam (SA Section 4.1-2)

FERC approval of agency consultation for the fish ladder, fish screen, fish evaluation facility and spillway modification designs was received in July 2009. Design engineering was completed and stakeholder review of the construction plans and specifications was completed by the end of 2009. Construction commenced in June 2010, with substantial completion to be achieved in 2012.



Before



Construction Access



Dewatered area/view of old bridge

Toketee Trash Rack Modifications (SA Section 4.3.3)

Modifications were designed and constructed according to specifications to protect adult resident trout from entrainment. The new trash rack has >50% larger surface area than the original, spacing of 0.5 inches, and one of the largest automatic cleaning systems of its kind.



Lemolo 2 Full-Flow Reach (SA Section 6.1)

Progress continues to be made toward constructing a partially buried pipeline to direct the discharge flows from the Lemolo 2 powerhouse to upper Toketee Lake. Geotechnical investigation and design efforts ended in 2009, led to the final design and permitting approvals in 2010. Construction is scheduled for 2011.

Anadromous Fish Habitat Enhancement (SA Sections 7.2-8.3)

Monitoring continued to document the characteristics and use by anadromous salmonids of the habitats created and maintained by the Gravel Augmentation program and the two Habitat Enhancement programs. Part of the habitat enhancement in Soda Springs bypass reach was temporarily sacrificed to create construction access for building the Soda Springs fish passage facilities.

Management of Lemolo Reservoir (SA Section 9.3)

Consultation continued according to the Plan regarding management of Lemolo Reservoir. Additional TWG consultation addressed recent water quality issues. During 2010, investigations and actions included an early and intense trapnetting effort to remove tui chub, experimental electrofishing of tui chub, and additional monitoring of water quality conditions. Some of these efforts may be helping, as the intensity of algae blooms appears to be diminishing each year. Actions and investigations are expected to continue into 2011.

Reconnecting Aquatic Sites (SA Section 10.6-10.7)

A combination of original and alternative aquatic reconnection sites will be selected for completion over an 11-year period of the Final license. Past efforts have been coordinated to also provide crossings over waterways for big game and other small wildlife. These



combination bridges provide both terrestrial and aquatic connectivity. In 2010, six aquatic connections sites were completed, consisting of new stream bridges and one culvert modification. Through an iterative process, sites are being prioritized for construction, with the less complex sites being selected first



to provide additional time for planning the more complex sites that require additional study, engineering, permitting, and construction time. A schedule of implementation has been developed with a completion date in 2016, with a minimum of six already permitted aquatic connections planned for construction in 2011. Additional sites will be added as permitting and budget allow. For 2011 and the near future, a number of such sites will be constructed while the more complex sites are being developed. A set of plans and specifications appropriate for these less complex sites has been developed with the agencies.

Enhancement of Wetland Species Diversity (SA Section 11.5)

Construction of the Lemolo 1 forebay wetland enhancement began in 2009; final grading and planting of the site was completed in 2010. Design of the Stinkhole wetland enhancement site commenced in 2010, and the designed enhancements will be constructed in 2011. Efforts made to identify the remaining three wetland enhancement sites that do not have defined locations in the Settlement Agreement will continue in 2011. Construction of the three remaining sites is planned for 2012, 2014 and 2016.

Vegetation Management Plan (SA Section 12.1)

Progress continues on implementation of the Vegetation Management Plan (VMP). Noxious weed treatments are being conducted on both BLM and USDA-FS lands on an annual basis. The noxious weed training program was implemented and will continue on an annual basis per the VMP. The horticultural invasive species program was implemented and

will continue as necessary to satisfy VMP requirements. The 2010 VMP 5-year rolling action plan was presented to both the USDA-FS and the BLM in December.

Erosion-Site Remediation (SA Section 14.4)

Remediation of erosion sites continues to progress in advance of the schedule set forth in the Settlement Agreement. Work has been completed at 68 total sites, of which 48 have been remediated, 7 require remediation, and 17 require annual monitoring. Two sites (CW2-12 and CW2-13), scheduled for remediation in 2010, were extensively evaluated and found to be stable, and a determination was made to add them to the annual monitoring schedule. Three sites are scheduled for remediation in 2011 (LM2-7, LM2-9, and LM2-29). Inspections of erosion sites continue to be conducted annually.

Transportation Management Plan (SA Section 15.1)

Progress continues on the implementation of the Transportation Management Plan. The USDA-FS and PacifiCorp continued to jointly share the costs associated with road and bridge maintenance. Scheduled culvert replacements, inventories of Level 1 roads and road decommissionings were completed this year. The remaining 0.92 miles of road decommissioning was completed in 2010. Bridge maintenance and culvert replacements are planned for 2011.

Poole Creek Boat Ramp (SA Section 17.8)

The boat ramp at Poole Creek Campground on Lemolo Reservoir was collaboratively selected by the USDA-FS and PacifiCorp as a recreation facility improvement project for 2010. Ramp designs were developed by the USDA-FS, and construction was administered by PacifiCorp in October 2010. The new, longer ramp will ensure boater access to Lemolo Reservoir throughout the recreation season (the 4th week of April through mid-October) and accommodate fluctuations in the reservoir pool level caused by hydro project operations.



Tributary Enhancement Program (SA Section 19.1)

ODFW placed 157 logs and 77 root wads in 0.25 miles of East Pass Creek (Weyerhaeuser and Giustina lands) for resident trout. ODFW began enhancement work on Harrington Creek (Rock Creek drainage) at eleven sites to promote reconnection of side channels. Logs and boulders, along with some excavation were used to divert water into historic side channels in an effort to improve over winter habitat for Coho



salmon and steelhead. Winter monitoring (habitat surveys and snorkeling) of this work is currently being completed as part of a long term monitoring project. As part of 19.1, 500 logs have been purchased and stockpiled for future work.

ODFW is currently working with Barnes and Associates to set up a riparian conservation easement on Forest Investment Associates (FIA) land. FIA has some interest in an easement if the details can be worked out. FIA has also expressed interest in having ODFW purchase parts of their properties and perform habitat enhancement work on their lands.

Construction of the new Rock Creek ladder and sorting facility began in July 2010. The upper portion of the ladder with the hatchery water intake has been completed.

Long-Term Monitoring and Predator Control Study Program (SA 19.2)

Monitoring continued to characterize baseline conditions from which to judge the success of providing anadromous fish passage at Soda Springs dam. Work during various times of year included operating three smolt traps, counting salmon and steelhead redds, and attempting to estimate populations of resident trout in reaches where anadromous fish will have future access. Predator studies were limited to enumeration of brown trout redds upstream of Soda Springs reservoir, since reservoir access was closed for fish passage construction. Annual reports provide preliminary results and help direct the program of work each year.

Mitigation Fund (SA 19.3)

Since 2004, PacifiCorp has been making annual payments into a Mitigation Fund, to be used by federal agencies to fund mitigation projects throughout the North Umpqua River basin. The Mitigation Fund Board of Directors (BOD) annually validates proposals and selects mitigation projects to be implemented with this funding. Project ranking are completed by the USDA-FS and BLM hydropower mitigation fund peer group and final recommendations come from the BOD. The UNF Forest Supervisor will make final approval of project

selections. Proposed projects selected for 2010 were provided for review to the Settlement Agreement parties. Projects were nominated from BLM, the two USDA-FS ranger districts where the North Umpqua Hydropower Project is located, and the Forest Supervisor's staff.

3.1.2 Plans and Reports

The following plans and reports were completed and/or revised:

- **Soda Springs Spawning Habitat Annual Report**; January 2010 (SA Section 8.3)
- **2009 Annual Avian Protection Report**; February 2010 (SA Section 13.4)
- **2009 Annual Threatened and Endangered Species and Bald Eagle Monitoring Report**; February 2010 (License Article 411 and 412)
- **Soda Springs Water Quality Station Annual Report, USGS No. 14316460, Water Year 2009**; May 2010 (401 Certification)
- **Stream Temperature Monitoring Plan Report, Water Year 2009**; December 2010 (401 Certification)
- **Erosion Control Plan Annual Report**, October 2010 (SA Section 14.5)
- **Slide Creek Full Flow Reach Monitoring Plan**, November 2010 (SA Section 6.2.1)

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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 this reporting period.

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

Date Filed	License Article No.	Settlement Agreement Section No.	Description	Status/ Comments
3/19/09	401	4.1.1(c), 4.1.1(d) and 4.1.2(b)	Soda Springs Fish Passage: Operations and Maintenance Plan	Approved 2/17/10
3/19/09	401	4.1.1(c), 4.1.1(d) and 4.1.2(b)	Soda Springs Fish Passage: Post Construction Evaluation Plan	Approved 2/18/10
11/24/09	401	4.3.2(b)	Fish Creek Fish Screen Hydraulic and Biological Evaluation Report	Approved 1/18/10
1/27/10; 5/10/10; 5/27/10 6/2/10; 7/9/10; 7/23/10	301 & 304, & 305	4.1.1 & 4.1.2	Soda Springs Fish Passage: Construction Plans, Specifications, and Quality Control and Inspection Program (QCIP); Revised Construction Plans, Revised Specifications, and Revised QCIP; 2010 Planned Activities Table; USDA- Forest Service Notice to Proceed; Temporary Construction Emergency Action Plan (TCEAP); Blasting Plan; Revised Potential Failure Mode Analysis; Cofferdam Plans	Approved to start 2010 Planned Activities 8/18/10
2/22/10	411	USDA-FS 4(3) Cond. 16	2009 Threatened and Endangered Species and Bald Eagle Monitoring Report	Approved 7/13/10
4/19/10	Appendix B	USDA-FS 4(e) Cond. 17	Request for Extension of Time to file Survey and Manage Species Plan (to 6/30/11)	Approved 6/22/10

Date Filed	License Article No.	Settlement Agreement Section No.	Description	Status/ Comments
5/24/10		4.1.1(f) and 6.2.1	Request for Extension of Time to file Slide Creek Tailrace Barrier Final Designs and Slide Creek Full-Flow Reach Monitoring Plan (to 11/30/10)	Approved 7/9/10
5/7/10; 6/15/10	301, 304 & 306	4.3.3	Toketee Trash Rack Modifications: Construction Drawings, Specifications, and QCIP; Revised Plans for Debris Conveyor System	Approved 6/29/10
6/17/10	401	21.4.2	2009 Resource Coordination Committee Annual Report	Acknowledged 06/18/10
6/29/10	301, 304, 305 & 306	4.1.1(f); 6.9	Slide Creek Tailrace Barrier: Powerhouse Access Road Extension and Parking Lot Expansion Construction Drawings, Technical Specifications, QCIP, Cofferdam Design, and TCEAP.	Approved 9/23/10
9/20/10; 9/30/10; 12/17/10	301	5.4 and 6.1	Lemolo 2 Reroute to Toketee: Specifications and Drawings; QCIP; TCEAP	
11/30/10	401	6.2.1	Slide Creek Full-Flow Reach Monitoring Plan	
12/9/10	301	4.1.1(f)	Slide Creek Tailrace Barrier: Final Plans and Specifications, QCIP, Cofferdam Specifications (including TCEAP and Conceptual Design Drawings), Design Reports and Geotechnical Engineering Report	
12/10/2010	414	18.1 & 18.2	2010 Historic Properties Annual Report/Action Plan	

SECTION 4.0 FIDUCIARY REPORTING

Consistent with Settlement Agreement fiduciary reporting requirements, this section provides account information for the following actions and fulfills the requirement to annually report the amounts deposited into and disbursed from each account:

- SA Section 7.2.3 (amended) Gravel Augmentation Program
- SA Section 8.3.5 (amended) North Umpqua River Habitat Restoration/Creation Project
- SA Section 19.1.1.3 Tributary Enhancement Program
- SA Section 19.3.1 Mitigation Fund

The Settlement Agreement does not require annual reporting for SA Section 19.2 Long-Term Monitoring and Predator Control Fund. Since this was likely an oversight, the account information for this fund is also provided in this section.

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Fiduciary Reporting

SA Section 7.2 Gravel Augmentation Program

Date	Item	Expenditures	Funding	Balance
2010	Opening Balance			\$35,951.09
2010	2010 Escalation (as per SA 22.4.4)		\$201.21	\$36,152.30
2010	Expenditures	\$0.00		
2010	Total Expenditures	\$0.00		\$36,152.30
2010	Ending Balance			\$36,152.30

Fiduciary Reporting

**SA Section 8.3 North Umpqua River Habitat
Restoration/Creation Project**

Date	Item	Expenditures	Funding	Balance
2010	Opening Balance			\$219,625.03
2010	2010 Escalation (as per SA 22.4.4)		\$1,229.17	\$220,854.20
2010	Expenditures	\$0.00		
2010	Total Expenditures	\$0.00		\$220,854.20
2010	Ending Balance			\$220,854.20

Fiduciary Reporting
SA Section 19.1 Tributary Enhancement Program Fund

Date	Item	Expenditures	Funding	Balance
2010	Opening Balance			\$4,353,147.46
2010	Annual Funding (\$430K escalated)		\$530,990.97	\$4,884,138.43
2010	Expenditures			
	Blue Ridge Timber			
	Log pulling/placement	(\$21,328.00)		
	Honey Creek Logging			
	Logging/hauling	(\$1,000.00)		
	Ed Jones			
	Log hauling	(\$19,932.50)		
	Knife River Materials			
	Boulders/delivery	(\$3,169.20)		
	ODFW			
	2 EBA Technicians (3 months) for Brook Trout Control	(\$31,481.50)		
	Escrow Fund Disbursement (Rock Creek Dam Upgrade)	(\$3,108,221.00)		
	Pliakat Logging			
	Log skidding and hauling	(\$10,950.85)		
	Kevin Saylor			
	Root wad/large wood placement	(\$5,650.00)		
	Sigfridson Construction			
	Log/boulder placement; side channel excavation	(\$4,975.00)		
	Strader Ranch			
	Log purchase	(\$54,865.52)		
	Trees, Inc.*			
	Tree trimming	(\$683.28)		
	Willard Marshall Trucking			
	Log hauling	(\$17,000.00)		
	Total Expenditures	(\$3,279,256.85)		\$1,604,881.58
2010	Interest Earned		\$337.76	\$1,605,219.34
2010	Ending Balance			\$1,605,219.34

* *Trees, Inc.* - 2006 expenditures not previously reported.

Fiduciary Reporting

SA Section 19.2 Long Term Monitoring/Predator Control Fund

Date	Item	Expenditures	Funding	Balance
2010	Opening Balance			\$58,930.70
2010	Annual Funding (\$100K escalated)		\$185,229.41	\$244,160.11
2010	Expenditures			
	ODFW			
	EBA technicians (9 months)	(\$94,444.50)		
	PacifiCorp			
	Predator control study crew expenses, electrofishing boat fuel and repair	(\$290.19)		
	Partnership for Umpqua Rivers			
	Fish sampling	(\$23,539.00)		
	Stillwater Sciences			
	Predator study database revisions	(\$43,491.70)		
	Weekly Bros.			
	Smolt trap clearing	(\$8,000.00)		
2010	Total Expenditures	(\$169,765.39)		\$74,394.72
2010	Interest Earned		\$13.55	\$74,408.27
2010	Ending Balance			\$74,408.27

Note: The 2010 annual payment includes a 50% advance of the 2011 payment.

Fiduciary Reporting
SA Section 19.3 Mitigation Fund

Date	Item	Expenditures	Funding	Balance
2010	Opening Balance			\$1,489,989.53
2010	Annual Funding (\$250K escalated)		\$308,715.68	\$1,798,705.21
2010	Expenditures			
	Mitigation Projects			
	Mowich Culvert 6180			
	Warm Springs Culvert 2035			
	2010 Lemolo Cooperative Water Quality			
	2010 Lemolo Public Health Protection			
	Mitigation Fund Project Planning/ White Mule			
	Meadow Knapweed Control			
	Anadromy Distribution Survey			
	Steamboat Creek Watershed Level 1 Road Analysis			
	Precommercial Thinning			
	Big and Little Oak Flats Restoration Big Game Forage Enhancement			
	Steamboat TSI			
	Steamboat Force Account Road Decommissioning			
	Toketee W/L Partners			
	Program Management			
	TOS			
2010	Total Expenditures	(\$728,580.25)		\$1,070,124.96
2010	Interest Earned		\$3,565.61	\$1,073,690.57
2010	Ending Balance			\$1,073,690.57

SECTION 5.0 CONCLUSION

The 2010 Annual Report underscores a productive year made possible through the dedication of Parties to the Settlement Agreement and their respective staff, PacifiCorp's implementation team members, and the public. This collaborative approach provided an effective framework for realizing benefits of the Settlement Agreement in a highly valued watershed.

The RCC ground rules and protocols for interagency teamwork and communication have provided an effective framework for watershed management consistent with the goals of the Settlement Agreement. Parties worked cooperatively toward meeting Settlement Agreement commitments during the report period and projects were completed on schedule. Although significant progress was made on the Soda Springs fish passage project, unexpected geotechnical issues that emerged during this first construction year are anticipated to extend construction of these facilities into 2012.

Significant accomplishments during the reporting period included 1) initiation of construction of the Soda Springs fish passage project, with major work completed on the ladder entrance, spillway modification, and screen structure, and road bridge replacement; 2) Federal Energy Regulatory Commission approval of design consultation and construction for the Slide Creek tailrace barrier; 3) Federal Energy Regulatory Commission approval for construction of the Lemolo 2 Reroute project; 4) successful performance test of the Lemolo No. 2 canal shutoff and drainage system, which was constructed in 2010; and 5) completing annual Rolling Action Plans and associated tasks for ongoing programs to manage vegetation, erosion, transportation, aesthetics, recreation, and cultural resources in the North Umpqua Project area.

Blooms of blue-green algae at Lemolo Reservoir continued to challenge the technical working group in 2010 with additional monitoring and actions (alternative reservoir management and tui chub trapping) in an effort to find solutions. Because this issue is extensive across Oregon and not specifically related to hydropower operations, the technical working group was discontinued and a broad-based North Umpqua Lake Management Group was formed to address regional water quality issues; most parties to the settlement agreement continue to participate in this effort.

We have high expectations for 2011, as construction of the fish passage facilities at Soda Springs continues. The fish ladder, screen structure, evaluation facility, and dam modifications necessary to manage flood flows are planned for 2011, with project completion now scheduled for 2012. Facility evaluation pursuant to full functionality is expected by the end of 2013. In addition to this work, the Slide Creek tailrace barrier will be completed in 2011. Other projects scheduled for 2011 include construction of aquatic site reconnections, the Lemolo 2 Reroute project, and a creation of a wetland near the Stinkhole

pond. As in past years, long-term monitoring of fish populations and habitat will continue in areas where anadromous fish will be reintroduced by the end of 2012.