



**PUBLIC UTILITY DISTRICT NO. 1 of CHELAN COUNTY**

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April 24, 2012

Honorable Kimberly D. Bose, Secretary, and  
Nathaniel J. Davis, Sr., Deputy Secretary  
FEDERAL ENERGY REGULATORY COMMISSION  
888 First Street, NE  
Washington, DC 20426

**VIA ELECTRONIC FILING**

Re: **Lake Chelan Hydroelectric Project No. 637**  
**Article 406 – Wildlife Habitat Plan**  
**2011 Activity Report and 2012 Work Plan**

Dear Secretary Bose and Deputy Secretary Davis:

On April 10, 2008, the Federal Energy Regulatory Commission (Commission) issued the “*Order Modifying and Approving Wildlife Habitat Plan under Article 406*”<sup>1</sup> requiring the Public Utility District No. 1 of Chelan County, Washington (Chelan PUD) to file an annual report on work planned and completed with funding provided to the U.S. Forest Service (USFS), U.S. Department of the Interior, National Park Service (NPS) and the Washington Department of Fish and Wildlife (WDFW) by April 30 each year, beginning 2009. The Wildlife Habitat Plan states that all payments for work conducted will be in accordance with section 19 of the Settlement Agreement.<sup>2</sup>

In accordance with Ordering Paragraph (B) of the above Order, Chelan PUD hereby files the 2011 Activity Report and 2012 Work Plan to the Commission.

Please do not hesitate to contact me or Von Pope at (509) 661-4625 regarding any questions or comments regarding this report.

Sincerely,

Michelle Smith  
Licensing and Compliance Manager  
[michelle.smith@chelanpud.org](mailto:michelle.smith@chelanpud.org)  
(509)661-4180

Enclosure

c: Annelise Lesmeister, NPS  
Mallory Lenz, USFS  
Dave Volsen and Graham Simon, WDFW

<sup>1</sup> 123 FERC ¶ 62,039 (2008)

<sup>2</sup> Chelan PUD, on behalf of the signatories, filed a comprehensive settlement agreement on October 17, 2003.

# LAKE CHELAN HYDROELECTRIC PROJECT NO. 637

## Wildlife Habitat Plan

### 2011 Activity Report and 2012 Work Plan

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#### Introduction

In accordance with Article 406 of the new License,<sup>1</sup> the Public Utility District No. 1 of Chelan County, Washington (Chelan PUD) filed to the Federal Energy Regulatory Commission (Commission) a Wildlife Habitat Plan (WHP) by November 6, 2007. The purpose of the WHP is to describe the methods and schedule used to implement upland habitat improvements and riparian habitat improvements in the Lake Chelan basin. The WHP includes provisions for acquiring conservation easements and providing habitat enhancement on private lands on the north shore of Lake Chelan, upland habitat improvements for the USDA Forest Service (USFS) and Washington Department of Fish and Wildlife (WDFW), noxious weed control, wildlife surveys, and riparian habitat improvements on USFS and National Park Service (NPS) lands surrounding Lake Chelan.

The WHP submitted to the Commission provided details on the implementation of riparian and upland habitat improvements within the Lake Chelan basin. However, enhancements specific to Stehekin area habitat on NPS lands overlap with measures to be implemented under Article 403, Stehekin Area Implementation Monitoring Plan (SAIMP). Therefore, the measures for improving riparian habitat improvements within the Stehekin area were incorporated into the SAIMP. (Refer to the SAIMP 2011 Annual Report and 2012 Work Plan filed with the Commission on April 6, 2012, for details.)

On April 10, 2008, the Commission issued the “*Order Modifying and Approving Wildlife Habitat Plan under Article 406.*”<sup>2</sup> Ordering Paragraph (B) of the Order requires Chelan PUD to file an annual report on work planned and completed with funding provided to the USFS, NPS and the WDFW by April 30 each year, beginning on April 30, 2009.

The following report provides a summary of WHP activities completed with funding provided by Chelan PUD during 2011 and a description of anticipated activities with funding to be provided during 2012. A table is provided at the end of this report that summarizes agency funding provided in 2011 and anticipated funding for 2012.

#### Activity during the Previous Calendar Year 2011

Implementation objectives for 2011 were to comply with license Article 406 and the WHP, which included the following:

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<sup>1</sup> 117 FERC ¶ 62,129 (2006)

<sup>2</sup> 123 FERC ¶ 62,039 (2008)

1. Lake Chelan wildlife habitat measures;
2. Upland habitat improvements;
3. Riparian habitat improvements; and
4. Conducting an annual Winter Wildlife Survey

**Lake Chelan Wildlife Forum Representatives**

The following table identifies the members of the 2011 Lake Chelan Wildlife Forum (LCWF).

<b><i>NAME</i></b>	<b><i>AGENCY</i></b>
Bruno, Ron	Wenatchee Sportsman's Association
Phil Archibald	Lake Chelan Sportsman's Association
Gempko, Vicki	National Park Service
Kuntz, Bob	National Park Service
Lenz, Mallory	United States Department of Agriculture – Forest Service
Lewis, Steve	United States Fish and Wildlife Service
Marco, Jerry	Confederated Tribes of the Colville Reservation
Martinez, Alex	United States Department of Agriculture – Forest Service
Merkle, Carl	Confederated Tribes of the Umatilla Indian Reservation
Oelfke, Jack	National Park Service
Osborn, Jeff	Chelan PUD
Oswood, Mark	Audubon Society
Pope, Von	Chelan PUD
Simon, Graham	Washington Department of Fish and Wildlife
Strickwerda, Chris and Marilyn	Interested Residents
Volson, Dave	Washington Department of Fish and Wildlife
Willard, Paul	United States Department of Agriculture – Forest Service

**2011 Meeting Activity**

No Lake Chelan Wildlife Forum meetings were held in 2011. However, several meetings between the USFS, the WDFW, and Chelan PUD were conducted to discuss 2011 activities and estimated costs for proposed 2012 activities. These meetings were held on, October 3, November 7 and November 29, 2011.

**2011 Activity Summary**

Activities completed in 2011 included:

1. Chelan PUD made funds available to the USFS, and WDFW for upland habitat improvements;
2. Chelan PUD made funds available to the USFS, and WDFW for riparian habitat improvements;

3. With approval from WDFW, Chelan PUD entered into a contract with the Cascadia Conservation District to assess landowner interest in the required conservation easement along the north Shore of Lake Chelan.
4. Chelan PUD staff conducted 12 winter wildlife surveys on Lake Chelan.

### 2011 Activity Summary by Agency

#### Lake Chelan Wildlife Improvements (WDFW)

##### **LC09a1, LC09a2, LC09a3: Conservation Easement Acquisition**

In, 2011, the Cascadia Conservation District contacted private landowners along the north side of Lake Chelan to assess the potential for securing landowner agreements on privately owned land for the purpose of preserving and improving winter range habitat for mule deer and big horn sheep. In their final report, the Cascadia Conservation District reported that 69% of the 16 private land owners contacted responded. Of those that responded (11), 64% responded favorably (7) and 36% (4) responded unfavorably. Private landowners that were interested represented approximately 457 acres. When additional information was provided, the number of interested parties dropped to 4 representing approximately 300 acres. WDFW, and Chelan PUD are currently working on draft conservation easement language to present to interested private land owners.

WDFW biological staff continues to recommend reserving upland and riparian habitat restoration funds until some type of land management agreement is acquired. The area of primary focus for acquisition of conservation easements on private lands is located on the north shore, Lower Basin Zone, between Gold Creek and Camas Creek at elevations between 1,100 and 1,400 feet mean sea level. If agreements are acquired, funding from this source could be used to provide habitat restoration or enhancement activities on lands where agreements are acquired, or for other habitat enhancement projects in the Chelan basin. WDFW desires that Chelan PUD retain this funding until such time as specific habitat agreements can be obtained where habitat enhancement actions can occur.

#### Upland Habitat Improvements (USFS)

##### **LC09b1, Task 1: Native Seed Program**

Funds used on contract to locate, map, and collect native grass seed.

##### **LC09b1, Task 3: Coyote Creek Prescribed Burning**

Due to wet spring conditions, the project was not completed in 2011. The USFS will carry funding to 2012.

##### **LC09b1, Task 4: Lucerne Late Successional Reserve Restoration**

No project work completed in 2011.

**LC09b1, Task 7: Bear Mountain Pre-Commercial Thinning**

Funds were used by the USFS for layout, oversight, and labor related to pre-commercial thinning and contract thinning of 71 acres in key ungulate winter range.

**LC09b1, Task 11: Whitebark Pine Restoration**

No project work completed in 2011.

**LC09b1, Task 12: North Shore Winter Range Restoration – Crupina Control**

In the spring of 2011, the USFS continued control efforts for crupina, a class A noxious weed. Treatment required frequent crew transportation to and from the site and supplies related to mechanical (hand-pulling) and chemical control.

**LC09b2: Noxious Weeds**

Funding for this measure was completed in 2011 supporting the crupina control efforts on USFS lands (LC09b1-Task 12). The activity in 2011 completes the requirement of this measure..

**Riparian Habitat Improvements (USFS)**

In 2011, funds allocated for the mid-elevation plantings (Task 2) were used to partner with USFS funds for lower elevation plantings (Task 1). In total, approximately 1200 Cedar, 200 big leaf maple, and 630 ponderosa pine were planted. USFS dollars were used on the low elevation planting while Chelan PUD dollars were used on the mid elevation plantings.

**LC09c2A, Task 1: Riparian Habitat (Low Elevation Planting)**

In 2011, the funds for the riparian habitat work (Task 2) ponderosa pine plantings were partnered with USFS funds that were used to plant 5 acres of low elevation plantings in Prince Creek. Since USFS funds were used, no charges are shown in 2011.

**LC09c2A, Task 2: Riparian Habitat (Mid-Elevation Planting)**

The USFS planted bigleaf maple and cedar saplings at mid-elevation sites at two 5 acres sites, one in Mitchell Creek and the other in 25 – Mile Creek.

**Winter Wildlife Survey (WDFW and Chelan PUD)**

For the winter 2011-2012, Chelan PUD conducted 12 winter wildlife surveys on Lake Chelan from late November 25, 2011 through March 30, 2012 as required in the WHP.

The Lake Chelan Winter Wildlife Survey Report for the 2011-2012 winter season will be submitted to the Commission, WDFW, U. S. Fish and Wildlife Service, and NPS by April 30, 2012, as required in the Order Modifying and Approving Wildlife Habitat Plan under Article 406.

## Activity Planned for Calendar Year 2012

The following is a summary of Lake Chelan WHP activities planned for 2012 by agency:

### Lake Chelan Wildlife Improvements (WDFW)

#### **LC09a1, LC09a2, LC09a3: Conservation Easement Acquisition**

Pursue conservation easement with interested landowners. Although less than 400 acres are available at present, the potential acreage available (approximately 300 acres) are contiguous and are located in key winter range for mule deer and bighorn sheep. Therefore, WDFW is interested in pursuing the easements on the condition that a substantial portion of the acres can be brought under agreement. Once draft easement language is available, the Cascadia Conservation District will pursue easement acquisition through consultaion with WDFW under a contract with Chelan PUD.

### Upland Habitat Improvements (USFS)

#### **LC09b1, Task 1: Native Seed Program**

Plants propagated from seeds collected in 2011 can be used in riparian areas, burns, and other impacted areas on USFS land. Plants being propagated from last year's seed collection include bluebunch wheatgrass and Sandberg's Bluegrass. Additional seed will be collected and propagated for future plantings.

#### **LC09b1, Task 3: Coyote Creek Prescribed Burning**

Perform prescribed burn provided weather and habitat conditions are suitable.

#### **LC09b1, Task 6: North 25 Mile Creek**

Initiate work on North 25 Mile Creek – Shady Pass Late-successional Reserve. Planting and thinning effort necessary on some 4,000 acres that suffered high severity fire in the recent past.

#### **LC09b1, Task 7: Bear Mountain Pre-Commercial Thinning**

Continue with thinning, pruning, and/or piling fuels that could lead to severe fire and loss of mule deer winter range thermal cover in the management area.

#### **LC09b1, Task 11: Whitebark Pine Restoration**

Work schedule for 2011 that was not completed. Develop landscape level treatment plan that includes possible thinning beetle infected trees, fire and pheromone treatments.

#### **LC09b1, Task 12: North Shore Winter Range Restoration – Crupina Control**

Pay for crew time, oversight, and materials for Crupina removal along the north shore in 2012.

**Riparian Habitat Improvements (USFS)**

**LC09c2A, Task 1: Riparian Habitat (Low Elevation Planting)**

The primary goal for the low elevation planting would be to select planting sites and collect seed for propagation and planting in 2013 and beyond.

**LC09c2A, Task 2: Riparian Habitat (Mid-Elevation Planting)**

The goal is to add diversity to the riparian species in some of the hard burn riparian areas such as Poison Creek with western cedar, spruce, larch and western – white pine.

**Winter Wildlife Survey (WDFW and Chelan PUD)**

Chelan PUD will conduct 12 winter wildlife surveys on Lake Chelan between November 2012 and April 2013 and provide the annual summary report by April 30, 2012.

**Lake Chelan Wildlife Habitat Plan – updated 5-year Plan**

The first 5-year Lake Chelan Wildlife Habitat Plan as approved by the Commission on April 10, 2008 will expire and a new 5-year Lake Chelan Wildlife habitat Plan will be submitted by April 30, 2013. The new plan will be developed in consultation with the participating agencies. The Lake Chelan Wildlife Forum will convene as necessary to draft and approve a new 5-year plan for Commission approval.

**Funding Activity**

Section 19.3 of the Settlement Agreement requires Chelan PUD to enter into payment agreements with the agencies prior to allocation of funds. During 2011, Chelan PUD coordinated with the WDFW, NPS and the USFS to obtain a 2011 annual work plan, including estimated funding amounts, as prescribed under Section 19.3 of the Settlement Agreement and in the payment agreement.

The table below provides a summary of funds available, stated in net present value, where applicable. The amounts have been adjusted to 2012 dollars using the CPI adjustment as of January 31, 2012, as outlined in Section 19.1 of the Settlement Agreement.

**FUNDING PROVISIONS – YEAR 2011 ACTIVITIES – YEAR 2012 ESTIMATED COSTS  
2012 YEAR START  
March 12, 2012**

AGMT ARTICLE	DESCRIPTION	ESTIMATED ACTIVITIES 2011	First Qtr Jan - Mar	Second Qtr Apr - June	Third Qtr July - Sept	Fourth Qtr Oct - Dec	TOTAL SPENT 2011	ESTIMATED ACTIVITIES 2012	ESTIMATED COSTS 2012	TOTAL FUNDING AVAILABLE AS OF JANUARY 31, 2012
LC09a1 <i>One Time</i>	WDFW Conserv Easement Fund (Wildlife Plan)	Pursue conservation easement acquisition					-----	No activity planned	\$266,638.81	\$275,064.60
LC09a2 <i>One Time</i>	Cascadia Conserv Easement Fees (WDFW – Wildlife Plan)	Task 1: Conservation easement acquisition Task 2, Item 1: Phase 1, Cascadia (COMPLETED) Task 2, Item 4: Phase 2, Cascadia	\$2,218.99	\$5,696.12			\$0.00 \$7,915.11 \$0.00	Task 1: Conservation easement acquisi. Task 2, Item 4: Phase 2, Cascadia	\$15,000.00 \$15,000.00	\$33,094.46
LC09a3 <i>One Time</i>	WDFW Habitat Fund (Wildlife Plan)	Task 1: Land Restoration					-----	Activity pending	\$38,783.83	\$40,009.40
LC09b1	USFS Upland Habitat (Wildlife Plan)	Task 1: Plant/Seed Propagation (10-017) Task 3: Coyote Creek (09-010) Task 4: Lucerne (10-017) Task 5: Safety Harbor burn (10-017)  Task 7: Bear Mountain (10-017)  Task 9: Antilon Lake fence (10-107)  Task 11: White Bark Pine (New) (10-017) Task 12: Crupina control (10-017)				\$5,344.00	\$5,344.00 \$0.00 \$0.00 \$0.00	Task 1: Plant/Seed Propagation (10-017) Task 3: Coyote Creek (09-010) Task 4: Lucerne (10-017) Task 5: Safety Harbor burn (10-017) Task 6: N 25 Restore Task 7: Bear Mountain Task 8: 25-Mile Creek (10-017) Task 9: Antilon Lake (10-107) Task 10: Echo Ridge (10-107) Task 11: White Bark Pine Task 12: Crupina control (10-017) Task 16: Pot Peak	\$9,333.25 \$15,718.22 \$0.00 \$0.00 \$20,000.00 \$29,338.04 \$0.00 \$0.00 \$0.00 \$49,107.65 \$8,226.16 \$0.00	\$549,423.30
LC09b2	USFS Noxious Weeds (Y1-3) (Wildlife Plan)	Task 1: Weed Control (10-017) COMPLETED	\$70.00	\$826.99			\$896.99	COMPLETED	-----	-----
LC09c1 <i>(Combo)</i>	NPS Stehekin Habitat (made part of SAIMP)	Refer to the SAIMP 2011 Annual Report and 2012 Work Plan.					-----		-----	-----
LC09c2A <i>One Time</i>	USFS Riparian Habitat (Wildlife Plan)	Task 1: Planting (10-017) Task 2: Plant cedar trees at mid-elevation (10-017)			\$226.07		\$0.00 \$226.07	Task 1: Planting (10-017) Task 2: Plant cedar Task 3: Prince Creek (10-017)	\$22,442.00 \$2,632.32 \$8,084.00	\$57,321.15
LC09c2B <i>One Time (Combo)</i>	NPS Lake Chelan Basin Riparian Habitat (made part of SAIMP)	Refer to the SAIMP 2011 Annual Report and 2012 Work Plan.					-----			-----
LC09c2C <i>One Time</i>	WDFW Riparian Habitat (Wildlife Plan)	No activity planned for 2011					-----	Activity pending	\$42,419.81	\$43,760.28
		TOTALS	\$2,288.99	\$18,562.06	\$18,691.59	\$5,898.49	\$45,441.13		\$542,724.09	