



PUBLIC UTILITY DISTRICT NO. 1 of CHELAN COUNTY

P.O. Box 1231, Wenatchee, WA 98807-1231 • 327 N. Wenatchee Ave., Wenatchee, WA 98801
(509) 663-8121 • Toll free 1-888-663-8121 • www.chelanpud.org

April 30, 2014

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. 637-043**
Article 403 – Stehekin Area Implementation Monitoring Plan
2013 Annual Report and 2014 Work Plan

Dear Secretary Bose and Deputy Secretary Davis:

On May 6, 2008, the Federal Energy Regulatory Commission (Commission) issued the “*Order Modifying and Approving Stehekin Area Implementation Plan Under Article 403*”¹ 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, 2009. The Stehekin Area Implementation Monitoring Plan states that all payments for work conducted will be in accordance with section 19 of the Settlement Agreement.²

In accordance with Ordering Paragraph (C) of the above Order, Chelan PUD hereby files the 2013 Annual Report and 2014 Work Plan to the Commission.

Please do not hesitate to contact me regarding any questions or comments regarding this report.

Sincerely,

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

Enclosure

c: Annelise Lesmeister, NPS

¹ 123 FERC ¶ 62,100 (2008)

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

LAKE CHELAN HYDROELECTRIC PROJECT NO. 637

Stehekin Area Implementation Monitoring Plan

2013 Annual Report and 2014 Work Plan

Introduction

In accordance with Article 403 of the new License,¹ the Public Utility District No. 1 of Chelan County, Washington (Chelan PUD) filed to the Federal Energy Regulatory Commission (Commission) a Stehekin Area Implementation Monitoring Plan (SAIMP) on November 6, 2007. The purpose of this plan is to provide details on the measures that will be implemented to monitor reductions in dust emissions, establishment of native riparian vegetation, and reduction in non-native plants in the reservoir drawdown zone and along the reservoir shoreline in the area of Stehekin, as specified in the License articles, and the Lake Chelan Comprehensive Settlement Agreement (Settlement Agreement), dated October 8, 2003 (Appendix A of the Project License).

On April 10, 2008, the Commission approved and modified the Wildlife Habitat Plan under Article 406. The plan submitted to the Commission provided details on the implementation of riparian habitat improvements. The improvements or enhancements to the Stehekin area habitat overlap with measures to be implemented under Article 403, so the U.S. Department of the Interior, National Park Service (NPS) and Chelan PUD agreed to combine these in the SAIMP.

Additionally, on May 6, 2008, the Commission issued the “*Order Modifying and Approving Stehekin Area Implementation Plan Under Article 403*”² requiring Chelan PUD to file an annual report on work planned and completed with funding provided to the U.S. Forest Service (USFS), NPS and the Washington Department of Fish and Wildlife (WDFW). However, most of the actions for the SAIMP will be undertaken by the NPS. The SAIMP states that all payments for work conducted by the NPS will be in accordance with section 19 of the Settlement Agreement. The annual report is to be submitted by April 30 each year, beginning April 30, 2009.

The following report provides a summary of SAIMP activities completed with funding provided by Chelan PUD during 2013 and a description of anticipated activities with funding to be provided during 2014. A table is provided at the end of this report that summarizes agency funding provided in 2013, anticipated activities and funding for 2014, and proposed activities for 2015.

¹ 117 FERC ¶ 62,129 (2006)

² 123 FERC ¶ 62,100 (2008)

Activity during the Previous Calendar Year 2013

DUST ABATEMENT WORK

Representatives of the NPS (Vicki Gempko and Jon Riedel) and Chelan PUD (Gene Yow) met in Stehekin on April 9, 2013, to visit Stehekin Flats dust source areas and to discuss testing preparatory to designing an irrigation system. In particular, we needed to know how much water is required per unit area to stabilize the soil, and how quickly the soil dries out sufficiently to become airborne. We also needed to know what parts of the Flats are most critical as dust sources. In the meeting, we planned testing intended to answer the first two questions.

LC04a, Task 1: Dust Abatement Options

Two options are presently being considered for reducing windblown dust from Stehekin Flats. One is the use of an irrigation system to wet the surficial soils. Consideration of this approach is based on observations from the site that high winds do not result in dust events when they occur within a day or so after rain on the Flats.

The second option under consideration is that of creating small ridges in the soil surface perpendicular to the prevailing wind direction. Consideration of this approach is based on similar practices used to stabilize farmland. The method is well developed but is not commonly applied in locations where disturbance of the subsurface soil must be minimized.

LC04a, Task 3: Monitoring Evaluation

No monitoring was done in 2013 other than visual observations.

STEHEKIN HABITAT WORK

On November 1, 2010, Chelan PUD filed a Riparian Zone Plan (plan) for Commission approval pursuant to Article 403 of Project License. Pending approval of the Riparian Zone Plan, no work was conducted during the first half of 2011. On August 2, 2011, the Riparian Zone Plan was approved.³ Upon Commission approval, work ensued during the second half of 2011 with collection and propagation of native plant material and establishing baseline transects and photo points.

Riparian Zone Plan

On August 2, 2011, the Riparian Zone Action Plan was approved by the Commission. NPS was informed of Riparian Zone Plan approval on August 4, 2011 via email. After the third quarter billing of 2012, the NPS initiated a change in their billing system. As a result, work conducted in the fourth quarter of 2012 on the Riparian Zone Plan could not

³ 136 FERC ¶ 62,096

be billed due to system changeover. While work was completed in the fourth quarter of 2012, the billings were not received until August 2013. As a result, some of the charges paid in 2013 were for work completed in 2012.

LC09c1, Task 1, Item 1: Collect Plant Material

No plant collections occurred during 2013.

LC09c1, Task 1, Item 2: Plant Propagation

Chelan PUD reimbursed the NPS for propagation of plant materials collected in previous years.

LC09c1 Task 1, Item 4: Contain Canary Grass

No containment work was conducted in 2013.

LC09c1, Task 1, Item 6: Crew Lead

Chelan PUD reimbursed the NPS crew lead for project oversight of plant propagation.

LC09c1, Task 1, Item 7: Plant Ecologist

No charges for Plant Ecologist work were submitted in 2013.

LC09c1, Task 2 Item 3: Osprey and Eagle Surveys

Monitoring postponed to 2014.

2013 Meeting Activity

The NPS and Chelan PUD met on April 9, 2013, to discuss dust abatement work and on November 19, 2013, to summarize 2013 activities, project budget and schedules for proposed work in 2014, including the first Riparian Zone Monitoring Report due to the Commission in November 2014. Chelan PUD and the NPS also met via conference call on December 5, 2013, to further discuss the 2014 activities and the upcoming 2014 monitoring report. In addition to the above meetings, telephone and email correspondence ensued.

Activity Planned for Calendar Year 2014

DUST ABATEMENT WORK

In 2014, the NPS plans to perform small-scale testing to evaluate the soil moisture required to stabilize soil particles on Stehekin Flats. Details of the 2014 work are provided below:

LC04a, Task 1: Dust Abatement Options

Unlike testing in previous years, this year's work will focus on key information that can be gathered by very small-scale testing. Representative areas will be selected and surface soil samples will be collected and characterized. The test areas will then be wetted and observed to evaluate the level of soil moisture required to stabilize the surface soil, how much water is needed to achieve that condition, and how quickly the soil dries out and becomes unstable again. The information obtained is expected to be necessary for design of an irrigation system. As part of this effort, the areal coverage and cost of an irrigation system based on larger sprinklers will be estimated.

Concurrently, permission is being sought to test the formation of soil ridges for soil stabilization. It is unlikely that we will be able to test this method in 2014.

LC04a, Task 3: Dust Monitoring and Evaluation

The nephelometer installed at Stehekin Landing in 2011 will provide the ability to make quantitative measurements of dust reaching the landing, as well as recording other related factors such as wind direction and speed. These will be complemented by visual observations and soil moisture measurements at the test sites.

STEHEKIN HABITAT WORK

In 2014, the NPS plans to continue implementing the Riparian Zone Plan. Details of the 2014 work are provided below:

LC09c1, Task 1, Item 1: Collect Plant Material

Continue collection of seeds, cuttings and propagules. Plants may be salvaged on sites that are slated for weed control.

LC09c1, Task 1, Item 2: Plant Propagation

Seeds and cuttings collected will be propagated in the NPS greenhouse facility in 2014.

LC09c1, Task 1, Item 3: Regrade Deltas

NPS will explore the feasibility of this portion of the plan with regard to potential permitting challenges.

LC09c1, Task 1, Item 4: Contain Canary Grass

NPS will use an integrated approach to control reed canary grass per the approved Riparian Zone Plan.

LC09c1, Task 1 Item 5: Plant Nursery Stock

No planting is scheduled for 2014.

LC09c1, Task 1, Item 6: Crew Lead

Labor and oversight related to monitoring for the 2014 Riparian Zone Plan Monitoring Report.

LC09c1, Task 1, Item 7: Plant Ecologist

Labor and oversight related to monitoring and report writing for the 2014 Riparian Zone Plan Monitoring Report.

LC09c1, Task 2 Item 3: Osprey and Eagle Surveys

Monitoring is scheduled for the spring of 2014.

Funding Activity

Section 19.3 of the Settlement Agreement requires Chelan PUD to enter into payment agreements with the NPS prior to allocation of funds. Chelan PUD coordinated with the NPS to obtain a 2014 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 2014 dollars using the CPI adjustment as of January 31, 2014, as outlined in Section 19.1 of the Settlement Agreement.

LAKE CHELAN PROJECT NO. 637
FUNDING PROVISIONS – YEAR 2013 SPENT – YEAR 2014 ACTIVITIES – YEAR 2015 PROPOSED ACTIVITIES
2014 YEAR START
April 2014

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AGMT ARTICLE	DESCRIPTION	2013 SPENT	2014 ACTIVITIES	ESTIMATED COSTS 2014	2015 PROPOSED ACTIVITIES	ESTIMATED COSTS 2015	TOTAL FUNDING AVAILABLE AS OF JANUARY 31, 2014
LC04a One Time (Combo)	NPS Stehekin Dust Abatement (SAIMP)	\$0.00	Task 1: Abatement Task 3: Monitoring and Evaluation.....	\$19,193.81 \$2,904.29	Task 1: Abatement Task 3: Monitoring and Evaluation	\$34,569.00 \$1,382.76	\$173,833.26
LC09c1 (Combo)	NPS Stehekin Habitat (made part of SAIMP)	\$28,077.97	Task 1, Item 1: Collect Plant Material Task 1, Item 2: Propagate Plans..... Task 1, Item 3: Regrade Deltas Task 1, Item 4: Contain Canary Grass Task 1, Item 5: Plant Nursery Stock Task 1, Item 6: Crew Lead..... Task 1, Item 7: Plant Ecologist Task 2, Item 1: Riparian Monitoring..... Task 2, Item 3: Osprey/Eagle Surveys.....	\$3,456.90 \$6,568.11 \$2,474.36 \$3,000.00 0.00 \$5,126.08 \$5,645.48 \$3,456.90 \$3,150.00	Task 1, Item 2: Propagate Plans Task 1, Item 3: Regrade Deltas..... Task 1, Item 4: Contain Canary Grass Task 1, Item 5: Plant Nursery Stock Task 1, Item 6: Crew Lead	\$6,568.11 \$3,913.80 \$11,062.08 0.00 \$29,562.25	\$318,164.79
LC09c2B One Time (Combo)	NPS Lake Chelan Basin Riparian Habitat (made part of SAIMP)	\$0.00	No activity planned	\$0.00	No activity planned.....	\$0.00	\$64,740.34
	TOTALS	\$28,077.97	2014 Year Start	\$54,975.93	2015 Proposed	\$87,058.00	

Document Content(s)

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