METHOW HATCHERY PIT TAGGING FUNDING AGREEMENT BETWEEN

THE GRANT COUNTY PUD AND CHELAN COUNTY PUD
AGREEMENT NO. 10-069

This Agreement is entered into this 5th day of March, 2010, between Public Utility District No. 2 of Grant County, Wa (hereafter Grant) and Public Utility District No. 1 of Chelan County, (hereafter referred to as Chelan). Contract becomes effective "when signed by both parties".

PURPOSE
Chelan shall perform the following described work in support of regional efforts to jointly evaluate hatchery supplementation programs.

THEREFORE, IT IS MUTUALLY AGREED THAT:

STATEMENT OF WORK
Chelan shall tag up to 20,000 juvenile spring Chinook at the Methow Hatchery in Winthrop, Washington. The fish will be tagged with passive integrated transponders (PIT tags). Tags and tagging supplies will be provided by Grant County PUD** SEE ATTACHMENT A/STATEMENT OF WORK.

PERIOD OF PERFORMANCE
The period of performance for this Agreement shall commence on March 8, 2010 and shall be completed by March 12, 2010 unless terminated sooner as provided herein.

PAYMENT
The cost of the work herein shall not exceed $25,000. Compensation for services shall be based on the rates and terms set forth in Attachment A. The contract price may be modified only in writing and executed by both parties.

BILLING PROCEDURES
Grant shall make reimbursement payment to Chelan following satisfactory performance of the services as outlined in Exhibit A. Payment to Chelan shall be made within 30 days of the date invoice requesting payment is received by Grant. The total amount requested shall not exceed $25,000.

TERMINATION
Either party may terminate this Agreement upon 15 days prior written notification to the other party. If this Agreement is so terminated, the terminating party shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement rendered prior to the effective date of termination.

NON-DISCRIMINATION
Title VI of the Civil Rights Act of 1964, (Public Law 88-352; 42 USC 200d-1) provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
RELEASE
Grant hereby expressly waives and releases Chelan and any and all of Chelan's officers, principals, agents, and employees, from any liability, loss, damage, cost, charge or expense, whether direct or indirect to which Grant or said other party may be put related to, or arising out of fish mortality, shed tags, inoperative tags and/or data collection and results.

GOVERNING LAW/VENUE
This Agreement is made, executed under and is to be construed by the laws of the State of Washington. In the event of a suit, the undersigned agree that a visiting judge shall be assigned to the case so that a resident judge, who is also a customer of either Chelan or Grant, will not hear the case. The substantially prevailing party in any legal action herein shall be entitled to reasonable attorney fees and all reasonable costs, including, but not limited to, expert witness fees, and travel and lodging expenses.

EFFECT OF OTHER AGREEMENTS
This Agreement shall not change or affect the responsibilities and obligations of Chelan under its Rocky Reach and Rock Island Habitat Conservation Plans. The intent of this Agreement is to assist Grant in meeting their obligations as outlined in their long-term fish and relicensing agreements.

CONTRACT MANAGEMENT
The Project Coordinator for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Agreement.

<table>
<thead>
<tr>
<th>Project Coordinator for GRANT PUD is:</th>
<th>Project Coordinator for CHELAN PUD is:</th>
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<tbody>
<tr>
<td>Grant County PUD</td>
<td>Chelan County PUD</td>
</tr>
<tr>
<td>Russell Langshaw</td>
<td>Todd West</td>
</tr>
<tr>
<td>30 C Street SW</td>
<td>327 Wenatchee Avenue.</td>
</tr>
<tr>
<td>Ephrata, WA 98823</td>
<td>Wenatchee, WA 98801</td>
</tr>
<tr>
<td>Phone: (509) 754-0500</td>
<td>Phone: (509) 663-8121</td>
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IN WITNESS WHEREOF, the Parties have executed this Agreement on the 5th day of March 2010.

PUBLIC UTILITY DISTRICT NO. 1
OF CHELAN COUNTY

By: ________________________________
    Joe Miller
    Hatchery Program Manager

Date: 3/5/10

PUBLIC UTILITY DISTRICT NO. 2
OF GRANT COUNTY, WA

By: ________________________________
    Rebecca Henricks
    Name and Title

Date: 3/5/10

Rebecca Henricks
Contract Officer
509 754-6750
Introduction
Chelan PUD (Chelan) shall tag 20,000 juvenile spring Chinook at the Methow Hatchery, located in Winthrop, Washington. The fish shall be tagged with passive integrated transponder (PIT) tags. Tags shall be provided by Grant PUD (Grant) and shall be delivered to Chelan PUD's Fish and Wildlife Department by Friday, March 5, 2010.

Fish Collection and Tagging
Chelan shall bring and setup all tagging equipment and supplies needed to perform the tagging operation. AC power will be provided from the hatchery power source. Water shall be pumped from the raceway with a pump placed inside a fish proof enclosure. Water temperature will be noted upon filling of the fish holding containers and changes out as needed up to a 2 degree increase in water temperature to the containers.

Fish will be transported to the tagging area in 39 gallon Rubbermaid containers and kept in constant flowing water. Prior to tagging, fish shall be removed from the containers and placed in tubs containing MS-222. Fish smaller than 60 mm fork length and fish displaying obvious signs of disease, injury, and greater than 20% descale will not be tagged.

Fish shall be tagged using the techniques described in Prentice et al. (1990), using 12-mm Destron Fearing 134.2 kHz ISO PIT tags using a 12-gauge hypodermic needle fitted onto modified syringes. This procedure involves piercing the body cavity at or near the ventral midline of a fish and inserting a tag into the body cavity. Tag code, fish length, weight, and fish condition will be stored using PITTAG 3 software. Fish will be transferred from the tagging stations to the holding raceway via a 4-inch diameter pipe.

Mortality and Shed Tags
Chelan will collect tags from mortalities and shed during the tagging operation. Methow Hatchery personnel shall be responsible for collecting tags from mortalities and shed tags found in the raceway after Chelan departs until release of fish occurs.

Mortalities shall be scanned for tags and all PIT tags will be removed. Mortalities and shed/expelled tags shall be collected from the holding raceways every morning by Chelan during the tagging operation and shall make any necessary edits to the tagging files until the tagging operation is complete.

Data Transfer
Chelan shall provide Grant all original tagging files and shall be responsible for data file submissions to PTAGIS.

Fees
Total compensation to be paid to Chelan shall not exceed $25,000. Payment shall be on a time and material basis and be made in accordance with this Agreement. Estimated fees are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
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<tbody>
<tr>
<td>Natural Resources General Foreman</td>
<td>$38.95</td>
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<tr>
<td>Fish &amp; Wildlife Specialist</td>
<td>$31.17</td>
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<tr>
<td>Fish &amp; Wildlife Specialist (x4)</td>
<td>$25.65</td>
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<tr>
<td>Travel Related Expenses</td>
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<tr>
<td>Meal per diem (for 8 hr work day)</td>
<td>$46.00/day</td>
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<tr>
<td>Hotel</td>
<td>$70.00/night</td>
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<tr>
<td>Transportation</td>
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<tr>
<td>Vehicles (2)</td>
<td>$80.00/day per vehicle</td>
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