This amendment is attached to and made a part of the cost recovery agreement for ENT120124 issued to PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY on 09/20/2010 which is hereby amended as follows:

Specific to page 4 of original cost recovery agreement:

11. Expiration and Termination. This agreement expires on 12/31/2014. Either party, in writing, may terminate this agreement in whole or in part at any time before it expires. The applicant is responsible for all Forest Service costs covered by this agreement that are incurred up to the date of expiration or termination.

12. Principal Point of Contact. The Forest Service and the applicant shall each establish a principal point of contact for purposes of this agreement.

The Forest Service’s contact is Brigitte Ranne, Terrestrial Ecology, (509) 784-1511, branne@fs.fed.us

The applicant’s contact is George Velazquez, Project Manager, (509) 661-4547, (509) 669-0592, georgea@chelanpud.org

The addition of monitoring work and associated charges.

- Attached Addendum, Part 2 – Monitoring Fees
- Appendix C – Scope of Work specific to monitoring
- 2012 Operating Plan (monitoring work)
This Amendment is accepted subject to the conditions set forth herein, and to conditions attached hereto and made a part of this Amendment.

Holder

Authorized Officer

Title

Date

Date

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average one (1) hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual’s income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.
PART II – MONITORING FEES

B. BASIS FOR MONITORING FEES
The Forest Service shall assess the applicant a monitoring fee based upon the agency’s estimated costs to ensure compliance with the terms and conditions of the authorization during all phases of its term, including but not limited to monitoring to ensure compliance with the authorization during the construction or reconstruction of temporary or permanent facilities and rehabilitation of the construction or reconstruction site.

C. AGREEMENT
In consideration of the foregoing, the parties agree as follows:

1. Scope of Work. The Forest Service shall develop a scope of work for monitoring the authorization and an estimate of the agency’s costs to monitor the authorization, which will be incorporated into this agreement as Appendix C. This scope of work shall report direct costs in categories that correspond to those in the agency’s accounting system, e.g., job code, personnel compensation based upon the cost to the government (salary and benefits), travel, and other direct services, materials, and supplies. In addition, the scope of work shall include the agency’s indirect costs based upon the approved annual indirect cost rate. Classification of costs as direct or indirect shall be in accordance with the published Forest Service budget for the applicable fiscal year.

2. Billing. The Forest Service shall bill the applicant prior to commencement of construction, reconstruction, rehabilitation, or any other activity subject to a monitoring fee. The applicant shall pay an initial estimated monitoring fee of $9284.13 and subsequent estimated monitoring fees of $1690.67 due 1/1/2013 and $1690.67 due 1/1/2014, for a total of $12,665.47 to be added to the current agreement balance.

3. Payment. The applicant shall pay the initial estimated monitoring fee and any subsequent estimated monitoring fees within 30 days of the date the bill for the fee is issued. The Forest Service shall not initiate monitoring the authorization until the estimated monitoring fee is paid. If the applicant fails to pay the initial or any subsequent estimated monitoring fee or the fee is late, the Forest Service shall not issue the authorization or shall suspend or revoke the authorization in whole or in part.

4. Statement of Costs. The Forest Service shall annually report costs incurred for monitoring the authorization by providing a financial statement from the agency’s accounting system. The financial statement shall include justification for all costs associated with the work such as labor, material, and equipment used.

5. Underpayment. When the estimated monitoring fee is lower than the full actual costs of monitoring an authorization issued under the Mineral Leasing Act, or lower than the full reasonable costs (when the applicant has not waived payment of reasonable costs) of monitoring an authorization issued under other authorities, the applicant shall pay the difference in the next periodic payment or the Forest Service shall bill the applicant for the difference between the estimated and full actual or reasonable monitoring costs. Payment shall be due within 30 days of receipt of the bill.

6. Overpayment. If payment of the monitoring fee exceeds the full actual costs of monitoring an authorization issued under the Mineral Leasing Act, or the full reasonable costs (when the applicant has not waived payment of reasonable costs) of monitoring an authorization issued under other authorities, the Forest Service shall either (a) adjust the next periodic payment to reflect the overpayment or (b) refund the excess payment to the applicant.

7. Disputes
a. If the applicant disagrees with the estimated dollar amount of the monitoring costs, the applicant may submit a written request before the disputed fee is due for substitution of alternative estimated costs to
the immediate supervisor of the authorized officer who determined the estimated costs. The written request must including supporting documentation.

b. If the applicant pays the full disputed monitoring fee, the Forest Service shall issue the authorization and/or allow the use and occupancy to continue during the supervisory officer's review of the disputed fee, unless the applicant elects not to exercise the authorized use and occupancy of National Forest System lands during the review period.

c. If the applicant fails to pay the full disputed monitoring fee, the Forest Service shall not issue the applicant an authorization for any new uses or shall suspend or revoke the applicant's existing authorization in whole or part pending the supervisory officer's determination of an appropriate monitoring fee and the applicant's payment of that fee.

d. The authorized officer's immediate supervisor shall render a decision on a disputed monitoring fee within 30 calendar days of receipt of the written request from the applicant. The supervisory officer's decision is the final level of administrative review. The dispute shall be decided in favor of the applicant if the supervisory officer does not respond to the written request within 30 days of receipt.

8. Lack of Administrative Appeal. A decision by an authorized officer to assess a monitoring fee or to determine estimated costs is not subject to administrative appeal. A decision by an authorized officer's immediate supervisor in response to a request for substitution of alternative estimated costs likewise is not subject to administrative appeal.
APPENDIX C

SCOPE OF WORK

The scope of work includes remaining pre-construction tasks and the construction, operation, and maintenance of the Entiat Valley 115k Transmission Line: construction of towers, poles, and other structures and facilities including, but not limited to anchor points for guy cables, all necessary foundations, footings, cross-arms, and other fixtures, cables, and underground and overhead wires in support of the transmission of energy.

The Chelan County PUD plans to complete all construction in 2012. Forest Service tasks and responsibilities as listed in the Operating Plan are summarized, but not limited to, those below.

**2012 – Pre/Early Construction (Process) and Construction Season (Monitoring) – Forest Service tasks** are described in the Operating Plan and include but are not limited to the following:

**Process:** Checking timber marking, evaluating merchantable timber and determining which to sell/leave, minor road re-route evaluation and documentation, documenting approved changes in the operating plan. ($5958)

**Construction Season Monitoring** - approving leave trees, inspection of slash piles, evaluation of proposed hazard trees, reviewing helicopter flight plans, approval of gravel sources, approval of blasting plans, approving soil deposition locations for hand dug holes in snail habitat, monitoring mitigations. ($8065)

**2013 Monitoring Season** – Evaluation of seeding success and weed control. ($1435)

**2014 Monitoring Season** – Evaluation of seeding success and weed control. ($1435)

Activities must comply with the requirements identified in the Entiat Valley 115kV Transmission Program EA (2008).
Operating Plan
Entiat Valley 115kV Transmission Line, Appendix B
Public Utility District No. 1 of Chelan County
Authorization ID: ENT120124 & ENT0016

February 7, 2012

Addendum to Existing Exhibit 1
(Monitoring)

H. Relocation of existing Forest Service Road #210 to allow for installation of Powerline Structure 4-4.

1) All terms and conditions of the Special Use Permit, Construction and Major Maintenance Mitigation Measures listed and specifications listed in the Operating Plan also apply to this item.
2) Location is as shown on attached maps and diagrams. Final location will be staked prior to construction.
3) Approximate length is 200-300 feet. Final length will be determined prior to construction.
4) Slope of the road should not exceed approximately 12%.
5) Layout of the road shall allow for erosion protection and control. The road surface shall be outsloped and waterbars installed as needed and staked. See attached typical road bed, water bar construction diagrams, and reference Item B – Erosion Prevention and Control.
6) Slash and merchantable logs shall be treated as per Item 3 – Vegetation Management, of the Operating Plan.
7) The portion of the road replaced shall be decommissioned and re-vegetated. The road bed shall be de- compacted and the fill pulled back to conform to the natural terrain.
Typical road cross section. Construct 14 ft. road bed or match existing road.

1. Cut slopes: Use 1:1 back slope

Fill slopes: Use V1:Hi.5 Fill slopes

2. Road Bed width shown is without necessary widening for fill, sluff, curves, and turnouts. Required widening is included in the design and quantity calculations and is shown on the decorative of work.

3. Construction Slush Treatment — as specified in Special Use Permit.

4. Oversize rock and unsuitable material shall be disposed of as approved by the Engineer.

5. Decking Areas shall be approved by the Engineer.

| LINEAR GRADING TYPICAL SECTION | STANDARD DRAWING |
Vicinity Map for relocation of existing FS 210 to allow for installation of Powerline Structure 4-4.
Map scale varies across map. Scale bars on printed maps are approximate and are not intended to be used for precise measurement. It is recommended that you use the measurement tools in eGIS Live Map for more precise measurements.
SPECIAL PROJECT SPECIFICATION (7/05)
ROADWAY DRAINAGE MAINTENANCE

WATERBAR INTERVAL TABLE

<table>
<thead>
<tr>
<th>ROAD GRADE (%)</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>12+</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAX SPACING (FT)</td>
<td>350</td>
<td>300</td>
<td>250</td>
<td>225</td>
<td>200</td>
<td>175</td>
<td>150</td>
<td>100</td>
<td>50</td>
</tr>
</tbody>
</table>

Typical Waterbar Detail
### Special Uses Cost Recovery Estimation Worksheet

**Applicant Name:** Chelan County Public Utility District  
**Auth. ID:** Amendment 2  
**Proposed Action:** Entiat Valley 115KV transmission line  
**Use Code:** 643  
**Date Application:** 3/19/2007  
**Date Processing:** 7/19/07  
**Date Monitoring:** TBD  

<table>
<thead>
<tr>
<th>Specialist Name</th>
<th>Date Consulted / Completed</th>
<th>Hours Worked</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Uses</td>
<td></td>
<td></td>
<td>Amendment to Cost Recovery agreement</td>
</tr>
<tr>
<td>Engineer</td>
<td></td>
<td></td>
<td>Road re-route - evaluation/design features. This is a new re-route of a permanent road that was no part of the original plan. We need road engineer input for design standards.</td>
</tr>
<tr>
<td>Heritage</td>
<td></td>
<td></td>
<td>Complete Appendix A report.</td>
</tr>
<tr>
<td>Forestry</td>
<td></td>
<td></td>
<td>Refreshing the timber marking/cruising. It has been 4 years since original marking. PUD noted that marking is confusing due to multiple efforts (PUD and Forest Service) to mark trees.</td>
</tr>
<tr>
<td>Forestry</td>
<td></td>
<td></td>
<td>Determining which trees to leave or sell. Assisting with marking cruising. Coordinating with PUD Forester to make sure marking is understood. No estimate of volume or price has been made because it was not decided which trees would be sold. Janeen would make the final decision about the sale and leave trees.</td>
</tr>
<tr>
<td>Case Management/Heritage</td>
<td></td>
<td></td>
<td>Coordinating with the PUD project manager to ensure all the remaining process tasks are completed so that work can proceed. Amending the operating plan to include specs for road re-route. Survey road re-route.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Hrs.</th>
<th>Total Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processing Level Determined</td>
<td>Master Agreement &amp; Major Category 6 (Agreement &amp; Work Plan Required)</td>
<td>172</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Case Manager's Name</th>
<th>Brigitte Ronne</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case Manager's Signature</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Reviewer's Signature</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Item Description</td>
<td>Est. Hours</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>WILDLIFE BIOLOGIST</td>
<td>Small habitat protection, snags and down wood</td>
<td>40</td>
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<tr>
<td></td>
<td>consultation</td>
<td></td>
</tr>
<tr>
<td>RECREATION SPEC/TECH</td>
<td>Aviation reviews</td>
<td>24</td>
</tr>
<tr>
<td>BOTANIST</td>
<td>Seeding, weed control monitoring, ground disturbance</td>
<td>120</td>
</tr>
<tr>
<td>PERMIT ADMINISTRATOR</td>
<td>Project coordination</td>
<td>80</td>
</tr>
<tr>
<td>FIRE/FUELS SPECIALIST</td>
<td>Slash monitoring</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Hours:</td>
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<td>304</td>
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For Categories 5 or 6 Determine Estimated and Actual Costs:

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<th>Item</th>
<th>Item Description</th>
<th>Hourly Rate</th>
<th>Estimated Hours</th>
<th>Estimated Cost</th>
<th>Actual Hours</th>
<th>Actual Cost</th>
<th>Comments</th>
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<td>120</td>
<td>$4,305.60</td>
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<tr>
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<td>Project coordination</td>
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<td>80</td>
<td>$2,942.40</td>
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<td>RECREATION SPEC/TECH</td>
<td>Aviation reviews</td>
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<td>WILDLIFE BIOLOGIST</td>
<td>Small habitat protection, snags and down wood</td>
<td>$32.14</td>
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<td>$1,285.60</td>
<td>$0.00</td>
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<td></td>
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<tr>
<td></td>
<td>consultation</td>
<td></td>
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<tr>
<td>Sub - Totals:</td>
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<td></td>
<td></td>
<td>$10,935.36</td>
<td>$0.00</td>
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<td>Totals:</td>
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<td>$10,935.36</td>
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<td>Add Burden Rate:</td>
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<td>1946.49</td>
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<td>Grand Totals:</td>
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<td>$2,931.85</td>
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</table>
**SPECIAL USES COST RECOVERY ESTIMATION WORKSHEET**

**Monitoring permit implementation**

<table>
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<tr>
<th>Specialist Name</th>
<th>Date Consulted / Completed</th>
<th>Hours Worked</th>
<th>Purpose</th>
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<tbody>
<tr>
<td><strong>Botany/Weeds</strong></td>
<td>Brigitte Ranne</td>
<td>120</td>
<td>Seeding/weed control monitoring</td>
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<td><strong>Case management</strong></td>
<td>Brigitte Ranne</td>
<td>80</td>
<td>Coordination</td>
</tr>
<tr>
<td><strong>Wildlife Biologist</strong></td>
<td>Andrea Lyons</td>
<td>40</td>
<td>Snail habitat protection, snags and down wood consultation</td>
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<tr>
<td><strong>Fire</strong></td>
<td>Aaron Rowe</td>
<td>40</td>
<td>Slash monitoring</td>
</tr>
<tr>
<td><strong>Recreation</strong></td>
<td>Randy McLandress</td>
<td>24</td>
<td>Aviation reviews</td>
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**Category** | **Total Hrs** | **Total Costs** |
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Processing Level Determined</td>
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<tr>
<td>Minor Category Nos. 1-4</td>
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<td>Minor Category Nos. 1-4</td>
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<tr>
<td>Master Agreement &amp; Major Category 6 (Agreement &amp; Work Plan Required)</td>
<td>6</td>
<td>304 (See WorkPlan)</td>
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</table>

Case Manager’s Name: Brigitte Ranne  
Case Manager’s Signature: /s/ Brigitte M. Ranne  
Cost Reviewer’s Signature:  
Date: 1/11/12
### Processing

#### Amendment #:  
**Type of NEPA:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Item Description</th>
<th>Est. Hours</th>
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<tbody>
<tr>
<td>TIMBER/SILVICULTURE SPEC/TECH</td>
<td>Refreshing timber marking</td>
<td>40</td>
</tr>
<tr>
<td>ENGINEER/ENGINEERING TECH</td>
<td>Road re-route/design</td>
<td>16</td>
</tr>
<tr>
<td>RESOURCE CLERK/ASST/SPEC</td>
<td>Amendment to CR Agreement</td>
<td>32</td>
</tr>
<tr>
<td>ARCHAEOLOGIST/CULTURAL RESOURCES</td>
<td>Survey road re-route adn complete Appendix A report</td>
<td>4</td>
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<tr>
<td>CASE MANAGER</td>
<td>Coordination</td>
<td>40</td>
</tr>
<tr>
<td>TIMBER/SILVICULTURE SPEC/TECH</td>
<td>Assisting with timber marking</td>
<td>40</td>
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</tbody>
</table>

**Total Hours:** 172  
**Category:** 6  

---

**For Categories 5 or 6 Determine Estimated and Actual Costs:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Item Description</th>
<th>Hourly Rate</th>
<th>Estimated Hours</th>
<th>Estimated Cost</th>
<th>Actual Hours</th>
<th>Actual Cost</th>
<th>Comments</th>
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<tbody>
<tr>
<td>ARCHAEOLOGIST/CULTURAL RESOURCES</td>
<td>Survey road re-route adn complete Appendix A report</td>
<td>$54.15</td>
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<td>$216.60</td>
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<td>$1,435.20</td>
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<tr>
<td>ENGINEER/ENGINEERING TECH</td>
<td>Road re-route/design</td>
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<td>16</td>
<td>$678.40</td>
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<td>RESOURCE CLERK/ASST/SPEC</td>
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<td>TIMBER/SILVICULTURE SPEC/TECH</td>
<td>Assisting with timber marking</td>
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<td>TIMBER/SILVICULTURE SPEC/TECH</td>
<td>Refreshing timber marking</td>
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<td>$1,022.40</td>
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</tbody>
</table>

**Sub - Totals:** 172  
**Estimated:** $5,958.12  
**Actual:** $0.00  

**Totals:**  
**Estimated:** $5,958.12  
**Actual:** $0.00  
**Add Burden Rate:** 17.8%  
**Grand Totals:** $7,018.67  
**Grand Total:** $0.00
2010 AMENDMENT TO COST RECOVERY AGREEMENT NO. 07MJ-11061705738
BETWEEN
CHELAN COUNTY PUD NO. 1 & THE USDA FOREST SERVICE

11. Expiration and Termination. This agreement expires on 12/31/2011. Either party, in writing, may terminate this agreement in whole or in part at any time before it expires. The applicant is responsible for all Forest Service costs covered by this agreement that are incurred up to the date of expiration or termination.

12. Principal Point of Contact. The Forest Service and the applicant shall each establish a principal point of contact for purposes of this agreement.

The Forest Service’s contact is Alan Kelso, Special Uses, (509) 784-9402 x 524, email akelso@fs.fed.us

The applicant’s contact is George Velazquez, Project Coordinator, (509) 661-4547, (509) 669-0592, georgea@chelanpud.org

This Amendment agreement is accepted subject to all terms and conditions.

George Velazquez
Project Coordinator
Chelan County PUD No. 1

Rebecca Lockett Heath
Forest Supervisor
Okanogan – Wenatchee National Forest
USDA, Forest Service

3/15/10

3/7/2010
CATEGORY 6 MAJOR COST RECOVERY AGREEMENT

Between

USDA, FOREST SERVICE, Okanogan/Wenatchee National Forest, and Chelan County Public Utility District No. 1

This agreement is entered into between the UNITED STATES DEPARTMENT OF AGRICULTURE, FOREST SERVICE, Okanogan/Wenatchee National Forest (the Forest Service), and the Chelan County Public Utility District No. 1 (the applicant) under 36 CFR 251.58.

A. RECITALS

1. On March 19, 2007, the Forest Service accepted the applicant's application for use and occupancy of National Forest System lands (hereinafter "the application"), which is enumerated in Appendix A. The Forest Service shall assess the applicant a cost recovery fee for the agency's costs to process the application.

2. The Forest Service has determined that the fee for processing the application falls within category 6 under the applicable Forest Service processing fee schedule and/or that the fee for monitoring the applicant's special use authorization falls within category 6 under the applicable Forest Service monitoring fee schedule.

5. The geographic area to be covered by this agreement is Section 15, T26S, R21E, and Sections 26, 27, 36, 35, T26S, R20E. See Appendix B.

6. The application has been submitted or the applicant's special use authorization is being issued under an authority other than the Mineral Leasing Act, and the applicant has not waived payment of reasonable costs. Therefore, the Forest Service is entitled to recover its full reasonable costs incurred in processing the application or monitoring the authorization.

6. Payment of a processing fee by the applicant does not obligate the Forest Service to authorize the applicant's proposed use and occupancy. If the application is denied or withdrawn in writing, the applicant is responsible for costs incurred by the Forest Service in processing the application up to and including the date the agency denies the application or receives written notice of the applicant's withdrawal. If the applicant withdraws the application, the applicant also is responsible for any costs subsequently incurred by the Forest Service in terminating consideration of the application.

7. The Forest Service shall determine the appropriate level of environmental analysis for the application and inform the applicant prior to initiating the environmental analysis.

8. Information associated with this agreement may be released to the public in accordance with the provisions of the Freedom of Information Act and Privacy Act.
PART I - PROCESSING FEES

B. BASIS FOR PROCESSING FEES

Processing fees for the application are based upon the direct and indirect costs that the Forest Service incurs in reviewing the application, conducting environmental analyses of the effects of the proposed use, reviewing any applicant-generated environmental documents and studies, conducting site visits, evaluating the applicant's technical and financial qualifications, making a decision on whether to issue the authorization, and preparing documentation of analyses, decisions, and authorizations for the application. The processing fee for the application shall be based only on costs that are necessary for processing the application. "Necessary for" means that but for the application, the costs would not have been incurred. The processing fee shall not include costs for studies for programmatic planning or analysis or other agency management objectives, unless they are necessary for processing the application. Proportional costs for analyses, such as capacity studies, that are necessary for the application may be included in the processing fee.

C. AGREEMENT

In consideration of the foregoing, the parties agree as follows:

1. Scope of Work. The Forest Service shall develop a scope of work for processing the application and an estimate of the agency's costs to process the application, which will be incorporated into this agreement as Appendix C. This scope of work shall report direct costs in categories that correspond to those in the agency's accounting system, e.g., job code, personnel compensation based upon the cost to the government (salary and benefits), travel, and other direct services, materials, and supplies. In addition, the estimate of the agency's processing costs shall include the agency's indirect costs based upon the approved annual indirect cost rate. Classification of costs as direct or indirect shall be in accordance with the published Forest Service budget for the applicable fiscal year.

2. Environmental Analysis. The Forest Service shall supervise the preparation of the environmental analysis associated with the application in compliance with applicable legal requirements, including public review of the analysis, analysis of public comments, and decision documentation. In exercising this responsibility, the Forest Service shall endeavor to foster cooperation among other agencies involved in the process, and to integrate National Environmental Policy Act requirements and other environmental review and consultation requirements to avoid, to the fullest extent possible, duplication of efforts by those agencies. However, the Forest Service shall not delegate to any other agency its authority over the scope and content of the environmental analysis, or approval or denial of the application.

3. Billing. The Forest Service shall bill the applicant prior to commencement of work. The applicant agrees to pay an initial estimated processing fee of $9965.00 and a subsequent estimated processing fee of $9965.00, for a total of $49,825.

4. Payment. The applicant shall pay the initial estimated processing fee and any subsequent estimated processing fee within 30 days of the date the bill for the fee is issued. The Forest Service shall not initiate processing the application until the initial estimated processing fee is paid. If the applicant fails to pay the initial or any subsequent estimated processing fee or the fee is late, the Forest Service shall cease processing the application until the fee is paid.

5. Statement of Costs. The Forest Service shall quarterly report costs incurred for processing the application by providing a financial statement from the agency's accounting system to the applicant.
6. **Underpayment.** When the estimated processing fee is lower than the full actual costs of processing an application submitted under the Mineral Leasing Act, or lower than the full reasonable costs (when the applicant has not waived payment of reasonable costs) of processing an application submitted under other authorities, the applicant shall pay the difference between the estimated and full actual or reasonable processing costs within 30 days of billing.

7. **Overpayment.** If payment of the processing fee exceeds the full actual costs of processing an application submitted under the Mineral Leasing Act, or the full reasonable costs (when the applicant has not waived payment of reasonable costs) of processing an application submitted under other authorities, the Forest Service shall either (a) refund the excess payment to the applicant or (b) at the applicant's request, credit it towards monitoring fees due.

8. **Disputes**
   
a. If the applicant disagrees with the estimated dollar amount of the processing costs, the applicant may submit a written request before the disputed fee is due for substitution of alternative estimated costs to the immediate supervisor of the authorized officer who determined the estimated costs. The written request must include supporting documentation.

b. If the applicant pays the full disputed processing fee, the Forest Service shall continue to process the application during the supervisory officer's review of the disputed fee, unless the applicant requests that the application processing cease.

c. If the applicant fails to pay the full disputed processing fee, the Forest Service shall suspend further processing of the application pending the supervisory officer's determination of an appropriate processing fee and the applicant's payment of that fee.

d. The authorized officer's immediate supervisor shall render a decision on a disputed processing fee within 30 calendar days of receipt of the written request from the applicant. The supervisory officer's decision is the final level of administrative review. The dispute shall be decided in favor of the applicant if the supervisory officer does not respond to the written request within 30 days of receipt.

9. **Lack of Administrative Appeal.** A decision by an authorized officer to assess a processing fee or to determine the estimated costs is not subject to administrative appeal. A decision by an authorized officer's immediate supervisor in response to a request for substitution of alternative estimated costs likewise is not subject to administrative appeal.

10. **Amendment.** Modifications to this agreement shall be made in writing and shall be signed and dated by both parties.
11. **Expiration and Termination.** This agreement expires on December 31, 2008. Either party, in writing, may terminate this agreement in whole or in part at any time before it expires. The applicant is responsible for all Forest Service costs covered by this agreement that are incurred up to the date of expiration or termination.

12. **Principal Point of Contact.** The Forest Service and the applicant shall each establish a principal point of contact for purposes of this agreement.

The Forest Service's contact is Tom Graham, Resource Assistant, Entiat Ranger District, (509) 784-1514

The applicant's contact is George Velazquez, Chelan County PUD, Project Manager II, Phone (509) 661-4547

This agreement is accepted subject to all terms and conditions.

[Signature]

Chelan County PUD No. 1

By: Jack Winter

Title: Assistant General Manager Utility Services

[Signature]

Karen Mollander
Deputy Forest Supervisor, Okanogan/Wenatchee NF
USDA, Forest Service

for Jim Boyken, Forest Supervisor  

4/2/07

Date

4/5/07

Date
APPENDIX A

Applications and Authorizations Subject to this Agreement


Authorizations

The Authorities supporting this application processing and environmental documentation include but are not limited to:

Federal Authorities
• Historic Sites Act, 16 U.S.C. 461, et seq.
• National Environmental Policy Act, 42 U.S.C. 4321
• National Historic Preservation Act of 1966, 16 U.S.C. 470
• Multiple-Use Sustained-Yield Act of 1960, Public Law 86-517 National Trails System Act, 16 U.S.C. 1244
• Clean Water Act
• Clean Air Act
• Wenatchee National Forest Land and Resource Management Plan as amended by the Northwest Forest Plan.

State of Washington Authorities
• Forest Practices, Chapter 76.09 RCW
• State Environmental Policy Act, Chapter 43.21C RCW
APPENDIX B

Description and Map of the Geographic Area

Proposed project would cross National Forest Lands on the Entiat Ranger District, Okanogan/Wenatchee National Forest, in Section 31, T26N, R21E, and Sections 25, 26, 27 and 35, T 26N, R20E.

Map is attached.

See Page 11

APPENDIX C

Scope of Work

Applicant (hereafter “PUD”) proposes to construct a 115 KV transmission line to a new substation located approximately 7 miles up the Entiat valley. The proposed route crosses national forest system lands. As a result of internal scoping and discussions with both PUD and FS specialists, it has been determined the PUD contract with an independent 3rd Party Contractor (hereafter “3rd Party Contractor”) for assistance in the preparation and coordination of the necessary environmental process, which may include some of the environmental analyses required by the National Environment Protection Act (NEPA). Nothing herein is intended to preclude the PUD from using its internal staff to conduct environmental surveys which may be necessary. Public scoping under NEPA will identify the anticipated appropriate planning document, which has tentatively been identified as an Environmental Assessment and Decision Notice. However, the public notice will also include language clearly stating that the option of preparing an EIS is a possible outcome depending on issues identified during scoping. If it becomes necessary to prepare an EIS, the Scope of work will be amended accordingly.

A. GENERAL OBLIGATIONS OF LEAD AGENCIES

1. The Forest Service shall serve as lead Federal Agency. The PUD shall serve as lead Agency responsible for the environmental analysis and procedures steps under SEPA.

2. Active and timely participation in all appropriate phases of the NEPA Process.

3. Establish a mutually acceptable time schedule for the Process which meets both NEPA and SEPA requirements and allows appropriate review times for the agencies involved and effective public involvement.

4. Develop an acceptable schedule for the review and evaluation of the environmental document as it is being developed.

5. Provide for meetings with appropriate Federal, State, Regional, and local agencies,
Tribal governments, concerned groups and the general public for the purpose of increasing communication and receiving comments on the proposed project and related environmental documents.

6. Ensure coordination of efforts and exchange of information between cooperating agencies. FS agrees to coordinate all contacts and information transfer regarding activities on Federal lands with the following: BLM, Environmental Protection Agency, U.S. Fish and Wildlife Service, Colville Confederated Tribes, Yakama Indian Nation and other federal agencies as needed. PUD agrees to coordinate all contacts and information transfer to the following: Washington Department of Natural Resources (DNR), Washington Department of Fish and Wildlife, Department of Transportation, Chelan County and Commissioners, Department of Ecology, and other Federal, state and local agencies and the general public as needed.

7. This division of coordination responsibilities does not prevent an agency from direct contact or communication with groups assigned to the other agency. The agency with responsibility for coordinating contacts with a certain group should be kept notified of any communications that the other agency may have had with said group.

8. In all instances involving questions as to the content, accuracy or relevance of any material (including all issues, data, analyses, and conclusions) in the NEPA Document, lead agencies shall jointly make the final determination on the inclusion, deletion or revision of the material, and shall have the ultimate responsibility for assuring compliance with the requirements of NEPA and SEPA.

9. PUD shall be responsible for the administration of the 3rd Party contract(s) to prepare the environmental document and supporting reports; and shall pay all costs associated with the preparation of such document.

10. The PUD shall be responsible for ensuring compliance with all requirements of SEPA and other Washington State authorities, as they relate to the preparation of the environmental document. The FS shall be responsible for ensuring compliance with all requirements of NEPA and Council on Environmental Quality regulations, as well as other Federal regulations and laws. The PUD and FS shall jointly ensure that all environmental issues, reasonable alternatives, and environmental impacts are analyzed in the environmental document and shall be responsible for the scope and content of the environmental document.

B. GENERAL OBLIGATIONS OF ALL PARTIES

1. Actively participate in the Process by cooperating with all the parties involved with the Process.

2. Expedite the Process by consolidating meetings, mandatory processes, and documents whenever practicable.

3. Have their respective authorized representatives or suitable alternates attend regular meetings with the other parties to this memorandum. Attend other meetings when any
particular party's attendance is necessary to provide issue clarifications, expertise, or in response to a public demand.

4. Make available all general and specific information that will be needed to complete the Process.

5. Make every effort to comply with the schedule to be established during Preparation Plan development.

6. The data provided pursuant to this agreement may contain nonpublic information and information derived there from. If a request for public disclosure is received, a determination, as mandated by appropriate federal and state laws, will be made by the lead agencies.

7. For the Federal agencies only, any appeals of the decision made in the EA/FEIS and Decision Notice/Record of Decision will be the responsibility of the FS. Should an appeal be received, the cost recovery agreement will be amended at that time to cover the appeal costs.

8. Any appeals of the decision made by the PUD under SEPA and state law will be the responsibility of the PUD. Any appeals of decisions made by other state or local agencies based on this EA/EIS under SEPA and state law will be the responsibility of those agencies.

C PROCEDURES

1. The PUD, through the 3rd Party Contractor, will develop and present a draft Preparation Plan. The PUD and FS will jointly review and agree on the content and timelines to be contained in this plan. The purpose of the Preparation Plan is to guide the preparation of the environmental document, including public participation, and propose the scheduling, organization, and contents of the document. This plan will include at a minimum, outlines of baseline data studies, names of potential sub-contractors and consultants and a proposed timeline for the process. Sub-contractors and consultants hired by the PUD after compliance with its contracting requirements, will have all necessary licenses and certificates to do business in the State of Washington.

2. The PUD and FS shall consult with other Federal, State and local agencies with potential involvement in the Project (see Provision V-A-5) and designate such cooperating agencies in addition to the DNR and BLM as may be appropriate.

3. The PUD is responsible for preparing and publishing the Public comment period and Scoping Notice in Wenatchee World newspaper(s) of general circulation and through direct mailing.

4. The PUD, through its 3rd Party Contractor, will be responsible for conducting scoping including meetings with the public and agencies. Scoping will be done to determine the areas of public and agency concern pertaining to the proposed project.
5. After the close of the scoping period, lead agencies, through the 3rd Party Contractor will assess and consider comments submitted by the public, Federal, State, and local agencies and will result in the development of significant issues to be examined in the environmental document and will help determine whether it is necessary to prepare and Environmental Impact Statement. The lead agencies will determine and make available the primary issues, other identified issues, the list of environmental elements and alternatives that must be discussed in the environmental consequences section of the environmental assessment. Additional elements may be added as other information is obtained during the Process.

6. The adopted Preparation Plan may be modified as required or authorized by Federal or State law.

7. The FS and the PUD shall have primary responsibility for reviewing and editing all sections, parts, or chapters of the environmental document consistent with the overall time schedule developed in the Preparation Plan and subject to the review and revision of all lead and cooperating agencies. The PUD and FS shall retain final review and approval authority. The PUD and FS will each submit one consolidated set of comments to the 3rd Party Contractor.

8. The PUD, through the 3rd Party Contractor will provide the FS and cooperating agencies with sections of the Draft environmental document for review and determination of necessary changes. All agencies will provide comments in a timely manner. The FS shall coordinate all review comments with the PUD and the 3rd Party Contractor to ensure that comments and changes are incorporated into the environmental document as agreed. The PUD and FS shall have the final authority to determine the final text of the environmental document. Upon acceptance and approval of the Draft environmental document by lead agencies, the lead agencies shall issue the environmental document to the public, and Federal, State, and local agencies for review and comment. Printing and distribution of the environmental document shall be the responsibility of the PUD. The lead agencies shall be responsible for scope and content of the environmental document.

9. Upon completion of the environmental document, the PUD, through the 3rd Party Contractor, will be responsible for organizing and conducting any public meetings. The PUD will be responsible for meeting rules of Chapter 197-11-455 WAC and for publishing notice of the environmental document in the SEPA register. Lead agencies, through the 3rd Party Contractor will receive all comments on the environmental document resulting from the review and comment period. A public comment period of 30 days will be initiated when the PUD through, the 3rd Party Contractor, publishes notice of availability to comment in the Wenatchee World newspaper. If an EIS is prepared, a public comment period of at least 45 days will be initiated when the Forest Service publishes a notice of availability on the DEIS in the Federal Register.

10. After the close of the environmental document review and comment period, lead agencies, through the 3rd Party Contractor will assess and consider comments submitted by the public, Federal, State, and local agencies and determine which will require response in the environmental document. Cooperating agencies shall assist with the
responses to comments pertinent to their areas of jurisdiction or expertise as requested by the lead agencies. Lead agencies will determine any necessary modification of the text. The PUD’s 3rd Party Contractor shall in a timely manner, incorporate these comments into a Consideration of Comments document to accompany the Decision Notice and Finding of No Significant Impacts (FONSI), or in an appendix to the FEIS if an EIS is prepared. The PUD and FS shall have authority to jointly determine the final text of the environmental document. The Forest Service has the final decision authority for approval of the permitting alternative chosen and the language of Decision Notice (DN) and FONSI or Record of Decision for an EIS. Disagreements between agencies regarding language in the environmental document will be resolved in accordance with guidelines governing NEPA and SEPA procedures for each agency.

11. Upon acceptance and approval of the draft Decision Document by all lead and cooperating agencies, the Forest Service shall approve release of the Decision Document to the public, and Federal, State, and local agencies. Printing and mailing of the Decision Document shall be responsibility of the PUD.

12. The PUD and FS reserve the right to prepare selected sections of the environmental document. As appropriate, the PUD and FS will provide such prepared material in a timely manner sufficient to ensure its integration into the environmental document.

D. PRINCIPAL CONTACTS The principal contacts for this agreement are:

<table>
<thead>
<tr>
<th>PUD Project Contact</th>
<th>PUD Administrative Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>George Velazquez</td>
<td>Jack Winter, Assistant General Manager</td>
</tr>
<tr>
<td>Chelan County PUD #1</td>
<td>Utility Services</td>
</tr>
<tr>
<td>P.O. Box 1231</td>
<td>Chelan County PUD No. 1</td>
</tr>
<tr>
<td>Wenatchee, WA 98801</td>
<td>P.O. Box 1231</td>
</tr>
<tr>
<td>Phone: (509) 661-4547</td>
<td>Phone: (509) 661-4183</td>
</tr>
<tr>
<td>FAX: (866) 646-3590</td>
<td>FAX: (509) 661-8115</td>
</tr>
<tr>
<td>e-mail: <a href="mailto:georgea@chelanpud.org">georgea@chelanpud.org</a></td>
<td>e-mail: <a href="mailto:jack.winter@chelanpud.org">jack.winter@chelanpud.org</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Forest Service Project Contact</th>
<th>Forest Service Administrative Contact</th>
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</thead>
<tbody>
<tr>
<td>Tom Graham</td>
<td>Karen Mollander, Deputy Forest Supervisor</td>
</tr>
<tr>
<td>U.S.D.A. Forest Service</td>
<td>U.S.D.A. Forest Service</td>
</tr>
<tr>
<td>Entiat Ranger District</td>
<td>Okanogan-Wenatchee NF</td>
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<tr>
<td>P.O. Box 476</td>
<td>215 Melody Lane</td>
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<tr>
<td>Entiat, WA 98822</td>
<td>Wenatchee, WA 98801</td>
</tr>
<tr>
<td>Phone: (509) 784-1511</td>
<td>Phone: (509) 664-9200</td>
</tr>
<tr>
<td>FAX: (509) 784-1150</td>
<td>FAX: (509) 664-9280</td>
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<tr>
<td>e-mail: <a href="mailto:tgraham@fs.fed.us">mailto:tgraham@fs.fed.us</a></td>
<td>e-mail: <a href="mailto:kmollander@fs.fed.us">kmollander@fs.fed.us</a></td>
</tr>
</tbody>
</table>

E. FREEDOM OF INFORMATION ACT (FOIA). Any information furnished to the Forest Service under this instrument is subject to the Freedom of Information Act (5 U.S.C. 552) and the applicable Washington State public information policy requirements found in RCW 42.17.250 through RCW 42.17.348.