

Oct. 30, 2009

Dear Rocky Reach reservoir property owner:

Living along a hydroelectric reservoir, you are familiar with changes in river operations that send water levels up and down under various conditions within PUD operating guidelines. We want to give you an early heads up about long-term ideas being discussed as the need for clean water and clean energy increases.

In response to strong interest from the Washington State Department of Ecology (Ecology), Chelan County PUD is beginning preliminary investigations into the possibility of developing water storage projects involving the Columbia River. We want to keep you informed and give you an idea what might occur in coming months (and years), depending on early study results. No decisions have been made.

What do we mean by water storage projects? This could include two primary methods that have been talked about so far:

- Raising the elevation of the reservoir behind Rocky Reach Dam by 1 to 3 feet and releasing the stored water during low-flow periods (late summer and fall) as needed for increased downstream flows for fish or out-of-stream uses such as irrigation
- Pumping water out of the Columbia River during high-flow periods and storing it in suitable locations (reservoirs) where it could then be returned to the river when needed (known as pumped storage) – potentially generating electricity as it flows back into the river

Chelan County PUD commissioners are getting a briefing on the Ecology request at their board meeting Monday, Nov. 2, and we are sharing this information at the same time with you. You can expect to see and hear news reports on this topic. A recording of the PUD meeting is always posted on our PUD Web site (www.chelanpud.org) after the meeting, and you may listen to the discussion via the Internet.

Here is what we know at the moment:

- The state Department of Ecology has money set aside to study proposals like these, and the PUD will not be spending any of its own money (other than staff time) to determine whether these water storage ideas might work.

- The PUD expects to hire a consultant (with Ecology funds) to study a rare and threatened plant (Ute Ladies' Tresses) that grows along the Rocky Reach reservoir. The outcome of this study will help determine what happens next.
- If the PUD determines that mitigation is possible for the plant, an extensive public comment and consultation process would then be required before any proposal could be submitted to the Federal Energy Regulatory Commission that governs the PUD's license to operate its hydro projects. As with relicensing Rocky Reach and Lake Chelan projects, such applications can take anywhere from five to 10 years to complete. There would be ample opportunity for public input.
- If a plan to raise the Rocky Reach reservoir ever moves ahead, Chelan PUD may need to secure additional flowage easements from some property owners around the reservoir. Most easements are already in place, and property owners would be notified if further steps are required with their parcels.

We want to emphasize that the PUD is merely taking the first exploratory steps as a result of Ecology's interest and available outside funding. You may find the enclosed Q-A sheet helpful for further details. Information is also on our PUD Web site and will be updated if anything changes.

We have also named a community liaison (Kris Pomianek) specifically on this issue, and you can reach her at 661-4186 or e-mail kris.pomianek@chelanpud.org. Kris is available to talk about any concerns you might have at this time or answer any questions about the early stages of this discussion.

We look forward to keeping you posted.

Sincerely,

Rich Riazzi

General manager, Chelan County PUD