

***APPENDIX G:
RECREATION ENHANCEMENT FUND***

RECREATION ENHANCEMENT FUND

Final Draft

**ROCKY REACH HYDROELECTRIC PROJECT
FERC Project No. 2145**

September 23, 2005



**Public Utility District No. 1 of Chelan County
Wenatchee, Washington**

A Recreation Enhancement Fund (REF) would be established by the Chelan County PUD as part of the relicensing process for the Rocky Reach Hydroelectric Project (Project). Research associated with the fund's development included legal analysis, internal review, and a public outreach effort to gather ideas and comments and to assure community support.

Ultimately, Chelan County PUD's ability to implement the fund will depend upon Chelan County PUD's acceptance of the obligations required by a new license for the Rocky Reach Hydroelectric Project and approval from the Federal Energy Regulatory Commission (FERC).

PURPOSE OF THE RECREATION ENHANCEMENT FUND

The purpose of the Recreation Enhancement Fund would be to provide public access and recreational enhancements associated with the Rocky Reach Hydroelectric Project. The fund would be used for recreation facilities, wildlife access and recreational and/or environmental education programs in communities adjacent to Project waters along the Columbia River and its tributaries between Rock Island and Wells dams. The Recreation Enhancement Fund would be maintained by the Public Utility District No. 1 of Chelan County as part of the new license for the Rocky Reach Hydroelectric Project.

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SECTION 1: RECREATION ENHANCEMENT FUND CONCEPT DEVELOPMENT

1.1 Purpose of Fund

The purpose of the Recreation Enhancement Fund (REF) would be to provide public access and recreational enhancements associated with the Rocky Reach Hydroelectric Project (Project). The fund would be used for recreation facilities, wildlife access and recreational and/or environmental education programs on lands and in communities adjacent to Project waters and along the Columbia River and its tributaries between Rock Island and Wells dams. The REF would be maintained by the Public Utility District No. 1 of Chelan County as part of the New License for the Project and is subject to approval by the Federal Energy Regulatory Commission (FERC) prior to implementation and the acceptance of the obligations required by the New License by the Public Utility District No. 1 of Chelan County.

- **Goal #1**
To encourage new and/or improved public recreational, wildlife access and educational opportunities in the vicinity of the Project.
- **Goal # 2**
To provide public access to the Columbia River and its tributaries between Rock Island and Wells dams.
- **Goal #3**
To partner with the people in the communities in Chelan County and/or those communities adjacent to the Columbia River and its tributaries between Rock Island and Wells dam to enhance the quality of life for individuals and communities.
- **Goal #4**
To provide education and communication about the public utility district, stewardship, the environment, and recreation resources.
- **Goal #5**
To provide facilities and programs designed to assist development of the recreation/tourism industry in Chelan County.

1.2 Governance of the Fund

The Recreation Enhancement Fund would be governed by an Advisory Committee appointed by the Chelan County PUD Commissioners (Commissioners). Chelan County PUD employees would be responsible for carrying out the administrative responsibilities of the application process such as scheduling meetings, distributing application forms, auditing and monitoring each project and serving as PUD contact for information and questions.

1.2.1 Advisory Committee

- Each Chelan County PUD Commissioner would appoint one person from his/her commissioner district to serve on an Advisory Committee (5 members). The Advisory

Committee would be responsible for reviewing applications and presenting the final recommendations for Recreation Enhancement Fund distribution to the Chelan County PUD Board of Commissioners. Each Advisory Committee member would serve a 3-year term.

- The Commissioners would approve or reject the recommended projects. If the commissioners need further information or would like to eliminate one or more of the recommended projects from the slate, those project(s) could be pulled for further review or elimination.

1.2.2 Chelan County PUD Support Staff

- Chelan County PUD staff members would support this process:
 - Assisting the Advisory Committee through the selection process,
 - Maintaining materials and sending out applications,
 - Serving as contact within the PUD on the fund,
 - Assisting applicants with forms and the process, and
 - Reviewing all applications and preparing them for review by the Advisory Committee.
 - Monitoring and auditing that results of a project are consistent with intended benefits

1.2.3 Commissioners

- Chelan County PUD Board of Commissioners would authorize final acceptance of projects and funding from the Recreation Enhancement Fund of the authorized projects.

1.3 Funding

Following the approval by the Federal Energy Regulatory Commission and the Chelan County PUD's acceptance of the obligations required by a new license for the Rocky Reach Hydroelectric Project, \$1,000,000 would be put into the Recreation Enhancement Fund, as the initial implementation of the fund.

By January 31st of each subsequent year following the effective date of the New License, contributions to the fund amount would be variable based on water flow at Grand Coulee Dam for the previous year. The 75 year average after flow at Grand Coulee Dam would be used as the index for Recreation Enhancement Fund contributions. The average annual amount put into the fund would be approximately \$178,933 based on the average annual water flow through 2011. Beginning in 2012, the average amount would be \$217,080. Chelan PUD would guarantee a minimum of \$150,000 and a maximum of \$350,000 per year through 2011 and then beginning in 2012 a minimum of \$200,000 and a maximum of \$350,000 every year thereafter throughout the life of the license or until such time as the minimum and maximum amounts placed in the fund are adjusted upward by the then sitting PUD Commissioners. The Recreation Enhancement Fund would bear interest at the rate of return the District receives on its investments.

(Example outlined below.)

Example: Water year % above normal
Funding amount \$13,000/each % above normal water
Minimum \$150,000/Maximum \$350,000 per year
Based on 75 year water history: \$178,933 average annual funding through 2011
Minimum \$200,000/Maximum \$350,000 per year beginning in 2012
Based on 75 year water history: \$217,080 average annual funding

The overall Recreation Enhancement Fund would be evaluated every 3 years throughout the term of the license, by Chelan PUD Commissioners, for appropriateness of funding level, and application and criteria and cannot be adjusted downward.

1.4 Fund Distribution

Upon acceptance of the New License, the initial \$1,000,000 placed in the fund will be made available for distribution. Then, every three years thereafter beginning in year 4, the fund amount would be distributed to successful applicants. All distributions will occur as follows:

The fund would be divided into 4 equal parts, for District 1, 2, and 3 and one part for discretionary use by the Advisory Committee in Chelan or Douglas Counties.

If the amount in the fund is not used, it would roll over into the next three- year funding cycle. This fund would be capped at \$2 million for unrestricted funds. Funds already approved for projects would be held in a separate account for 6 years to allow for permitting and planning. This cap may be adjusted upward by Chelan PUD Commissioners.

1.5 Criteria for Project Funding

1. The project must be located on lands adjacent to the Columbia River between the Rock Island and Wells dams, within the Chelan Wildlife Area, or adjacent to the tributaries described below:
 - Up the Wenatchee River to the Tumwater Dam
 - Up the Icicle River to the USFWS Hatchery
 - Up the Chelan River to and including all of Lake Chelan
 - Up the Entiat River to Entiat Falls including its tributary, the Mad River
2. Funding must be used for education programs or new or enhanced recreational facilities.
3. All projects must provide public access.
4. Projects must be designed to achieve measurable results or usage that can be monitored and documented
5. The applying entity must demonstrate adequate provisions for ongoing operations and maintenance.

6. Chelan PUD recognizes that over 85% of Chelan County is in public ownership. It is the stated goal of the PUD to minimize the adverse impacts of land acquisition caused by REF projects upon Chelan and Douglas counties tax revenue. Funding may include land acquisition, however preference will not be given to land acquisition in the evaluation process.
7. Funding is available only to qualifying non-profit community service organizations or federal, state, or local governmental agencies.
8. Projects must demonstrate new and/or improved public recreational, wildlife, and/or environmental educational benefits.
9. Projects must have a federal, state or local agency or established non-profit organization serving in the lead role to effectively implement and maintain the project.
10. Scoring preference will be given to those projects that have matching funds committed or will be committed. Matching funds can be cash, funding from other governmental agencies, or in-kind/volunteer items or services.
11. Funding may be considered for project pre-studies and for operations and maintenance under limited circumstances. (More details are available upon request)
12. All projects recommended for funding by the Recreation Enhancement Fund Advisory Committee will be subject to review by the Cultural Resources Forum.

1.6 Application Guidelines

- Project applications must include planning, design, feasibility studies, land acquisition and development and/or enhancement plans (including permit requirements).
- Project applications must include the long-term maintenance and operations plans to be implemented upon completion of the project.
- Project applications must identify economic and environmental benefits in addition to community and county-wide recreational and environmental education benefits.
- Project recipient must enter into a funding agreement with Chelan County PUD and agree to share regular project reporting in the process and results of projects funded through the recreation fund.
- Public support for the project must be documented in the application and may be accomplished through community proclamations, volunteer efforts or links to other priority projects.
- Projects that receive funding may not be converted from the original purpose to another purpose, without the approval of the PUD Commissioners, which approval may be conditional upon a refund of the original grant.

SECTION 2: APPLICATION, SELECTION AND DISTRIBUTION PROCESS

2.1 Application Process

Application packets can be obtained by contacting the Chelan County PUD. Application guidelines and fund criteria are included in the packet and are also available on the Chelan County PUD's website:

Recreation Enhancement Fund Lead
Chelan County Public Utility District
P.O. Box 1231
327 North Wenatchee Avenue
Wenatchee, WA 98807-1231
(509) 663-8121
www.chelanpud.org

2.2 Selection Process

Immediately following the application deadline, Chelan County PUD Lead reviews all applications.

- The Advisory Committee (appointed by the Chelan County PUD Commissioners) review all of the applications. At that time, all applications will be placed into 3 categories:
 1. Meets all application guidelines and fund criteria and is placed into the second round.
 2. Meets most of the application guidelines and fund criteria but is missing some important elements or needs further clarification before it can proceed to the second round (Advisory Committee representative and staff lead contacts applicant). If application is re-submitted with the necessary elements included, it will be placed into the second round for consideration.
 3. Does not meet the application guidelines and fund criteria and does not proceed to the second round.
- The Advisory Committee may invite each qualifying applicant to make a formal presentation before the Advisory Committee about the project funding request.
- The Advisory Committee will meet and discuss the applications.
- The Advisory Committee will determine which applications they will recommend receive funding from the Recreation Enhancement Fund.
- The Advisory Committee will prepare a recommendation to the PUD Commissioners for final approval.

SECTION 3: APPLICATION MATERIALS CHECKLIST

1. Application Authorization Memorandum
2. Recreation Enhancement Fund Application
3. A detailed description of the project and the following:
 - implementation and ongoing monitoring plan with timelines
 - financial plan
 - long term maintenance and operations plan
 - documentation of permits secured (if necessary)
 - Socioeconomic benefits and number of people served
 - land acquisition or land use plan and acceptance/approval of land owners
4. Documentation of public meetings held and outcomes of those meetings
5. Evidence of matching funds that are committed or will be committed to this project and/or in-kind services if used in the project plan.
6. Photos and/or concept drawings to illustrate the project
7. If a Chelan County PUD property or park is being utilized, the park checklist for new additions must also be included.

SECTION 4: APPLICATION AUTHORIZATION MEMORANDUM

Each organization submitting a project must complete this form.

To: Recreation Enhancement Fund Advisory Committee
c/o Chelan County PUD
P.O. Box 1231
Wenatchee, WA 98807-1231

Through: _____
(Lead organization/agency name)

From: _____
(Applicant name)

Through the lead entity identified above, the Recreation Enhancement Fund Advisory Committee is hereby requested to consider this application for financial assistance for recreation facilities, wildlife access projects, and/or recreational and environmental education programs in communities adjacent to Project waters along the Columbia River and its tributaries between Rock Island and Wells dams. This application is prepared with knowledge of and in compliance with the Recreation Enhancement Fund criteria and application guidelines. The applicant agrees to furnish any additional information that may be necessary to complete the project evaluation process and to enter into a project agreement with the Chelan County PUD. If approved, funding is paid on a reimbursement basis.

Names of those _____
involved in the _____
planning and implementation _____
of this project. _____

(attach list if necessary) _____

I/we certify that to the best of our knowledge, the data in this application is true and correct. In addition, I/we certify that the matching resources identified in the application are committed to the above project. I/we acknowledge responsibility for supporting all non-cash commitments and donations should they not materialize.

Authorized Representative: _____
(signature) (date)

Printed name and title

**SECTION 5: RECREATION ENHANCEMENT FUND
APPLICATION FORM**

Project Name _____

Organization Name _____

Organization Type (please check one)

- City/Town
- Native American Tribe
- County
- Non-Profit Organization – 501c(3) status _____ Tax id # _____
- State Agency
- Educational Institution
- Other (please specify) _____

Organization Address

City/Town _____ Zip Code _____

Telephone _____ Fax _____

E-Mail _____

Project Contact Information (list primary and alternate)

Primary _____

Address _____

City/Town _____ Zip Code _____

Telephone _____ Fax _____

E-Mail _____

Concept Development for a
Recreation Enhancement Fund

Alternate _____

Address _____

City/Town _____ Zip Code _____

Telephone _____ Fax _____

E-Mail _____

Short Description of Project – Provide a short description of the project, what will be done, and what the anticipated benefits will be to the area.

Total proposed cost of the project _____

Funding requested _____

Matching funds _____

In-kind services _____

**SECTION 6: RECREATION ENHANCEMENT FUND
SCORING CRITERIA**

1. **Public Need** – Considering the availability of existing outdoor recreation facilities and or opportunities within the area defined in the project application, what is the need for the new or enhanced recreation or habitat access project outlined in this application?
 - a) no need 0 points
 - b) marginal need 5 points
 - c) sufficient need 10 points
 - d) substantial need 15 points

2. **Project Scope** - How effective is this project in providing new or improved recreational facilities and/or opportunities, or habitat access along the Columbia River and its public tributaries between Rock Island and Wells dam?
 - a) no evidence presented 0 points
 - b) marginal linkages provided 1-2 points
 - c) adequate linkages 3 points
 - d) outstanding linkages 4-5 points

3. **Project Plan** – Does the project demonstrate a comprehensive business plan that includes the following?
 - implementation and ongoing monitoring plan with timelines
 - financial plan
 - long term maintenance and operations plan
 - documentation of permits secured (if necessary)
 - socioeconomic benefit analysis
 - land acquisition or land use plan and acceptance/approval of land owners
 - value and impact to community and number of people served
 - photos or concept drawings to illustrate the project
 - a) no business plan provided 0 points
 - b) marginal business plan components provided 5 points
 - c) adequate business plan components provided 10 points
 - d) complete business plan components provided 15 points

4. **Project Support** – Demonstrated evidence of public input and public support (community, county, region, state and or user groups) for the project.

- a) no evidence presented 0 points
- b) marginal public support 1-2 points
- c) adequate support 3 points
- d) the public has received ample and varied opportunity to provide meaningful input into the project, and there is overwhelming support 4-5 points

5. **Matching Shares** – To what extent will the applicant match any funds distributed from the fund with contributions (committed or to be committed) from its own resources? (money, labor, in-kind services)

- a) 0% 0 points
- b) 5 – 25% 5 points
- c) 26 – 40% 10 points
- d) 41% plus 15 points

6. **Economic Benefit** – Does the project demonstrate good suitability, design criteria, location and projected use as to provide economic benefits to the area?

- a) no economic benefit 0 points
- b) limited economic benefit 1-2 points
- c) adequate economic benefit 3-4 points
- d) significant economic benefit 5 points

7. **Cost-Benefit Ratio** – Is the project an effective use of funds? To what degree will the project provide public benefits that outweigh the costs?

Applicant has demonstrated effective use of the funds, need for the project and public benefit that out weighs the costs.

0-5 points

8. **Geographic Distribution** – Did the basin identified with this project receive funding from the Recreation Enhancement Fund (CRF) during the last funding cycle? If yes, to what extent was the previous project funded?
- a) >50% of the last CRF funding cycle 0 points
 - b) 30% – 50% during last CRF funding cycle 5 points
 - c) 10% – 29% during last CRF funding cycle 10 points
 - d) 0% – 9% during last CRF funding cycle 15 points
9. Is the project in conformance with state or local government comprehensive plan?
- a) yes 5 points
 - b) no 0 points
10. Does the project provide for adequate parking?
- a) yes 5 points
 - b) no 0 points
11. Does the project provide for trail linkage to other recreational facilities or public works projects?
- a) yes 5 points
 - b) no 0 points
12. Does the project enhance public health and fitness?
- a) yes 5 points
 - b) no 0 points
13. Does the project enhance wildlife access?
- a) yes 5 points
 - b) no 0 points

Must achieve >50 points to be considered for funding.

***SECTION 7: ADVISORY COMMITTEE MEMBER
EVALUATION FORM***

*To be completed by all participating Commissioner appointed Advisory Committee
Member following each Recreation Enhancement Fund Distribution Process*

What went well?

What didn't go well?

What would you change?

How can we make that change?