

UNITED STATES OF AMERICA 123 FERC ¶ 62,047
FEDERAL ENERGY REGULATORY COMMISSION

Public Utility District No. 1 of Chelan County

Project No. 637-040

ORDER APPROVING RECREATION RESOURCES MANAGEMENT PLAN
UNDER ARTICLE 407

(Issued April 14, 2008)

On November 7, 2007, Public Utility District No. 1 of Chelan County (Chelan PUD or licensee) filed its recreation resources management plan pursuant to article 407 of the license for the Lake Chelan Hydroelectric Project (FERC No. 637).¹ The project is located on the Chelan River, near the City of Chelan, in Chelan County, Washington.

BACKGROUND

Article 407 of the project license requires the licensee to file, within one year of the issuance date of the license, for Commission approval, a recreation resources management plan (RRMP), including an assessment of recreational use and needs within the Lake Chelan basin. The RRMP is to include the enhancements set forth in Article 11(g), (h)(1) – (9), (i), (j), (k), (m), and (p) of the Lake Chelan Settlement Agreement, and the elements set forth below.

(a) Sidewalk, Handrail, and Landscaping under the Dan Gordon Bridge. The RRMP shall contain detailed descriptions of proposed measures to stabilize the sidewalk and replace the handrail along the north shore of the Chelan River, under the Dan Gordon Bridge. The RRMP shall contain a schedule for completing these measures. Beginning within one year of the issuance date of the license, the licensee shall assume responsibility for annual maintenance associated with the sidewalk and landscaping along the north shore of the Chelan River, beneath the Dan Gordon Bridge.

(b) Micro Park Feasibility Study. The RRMP shall contain the results of a feasibility assessment for developing a micro park at the following licensee-owned parcels near Water Street near the City of Chelan: parcels #272214662242, #272214662229, and #272214662440. The purpose of the feasibility assessment is to determine if and how a micro park can be developed and whether the lands are needed for project purposes. The feasibility assessment shall include a description of the site topography and any constraints to site development; a description of adjacent land uses; detailed recommendations for developing the site, including costs for developing the site

¹ 117 FERC ¶ 62,129 (2006), amended by 119 FERC ¶ 61,055 (2007)

and anticipated benefits and use of the developed site; and an implementation schedule for any development recommendations.

(c) Modifications for Future Trails. The licensee shall notify the Commission within 30 days of completing the modifications to the entrances and exits of the Old Mill Park, Manson Bay Park, and Riverwalk Park to accommodate the integration of future trails. Revised exhibit drawings shall be filed, as appropriate, in accordance with Article 301. The 90-day deadline for filing the revised exhibits stipulated in Article 301 shall be referenced to the completion date of the measures.

The RRMP shall be developed in consultation with the U.S. National Park Service (Park Service), U.S. Forest Service (Forest Service), Washington State Parks and Recreation Commission, Washington Interagency Committee for Outdoor Recreation, City of Chelan, Manson Parks and Recreation Department, the Lake Chelan Recreation Association, American Whitewater, and the landowners adjacent to the licensee-owned parcels identified in paragraph (b) above. The licensee shall include with the RRMP an implementation schedule, documentation of consultation, copies of recommendations on the completed RRMP after it has been prepared and provided to the entities above, and specific descriptions of how the entities' comments are accommodated by the RRMP. The licensee shall allow a minimum of 30 days for the entities to comment and to make recommendations before filing the RRMP with the Commission. If the licensee does not adopt a recommendation, the filing shall include the licensee's reasons, based on project-specific reasons.

The specific requirements of article 11(g), (h)(1) – (9), (i), (j), (k), (m), and (p) of the Lake Chelan Settlement Agreement include:

(g) Recreation Use Study: Beginning in the 20th year of the effective date of the new license, and finishing in the 23rd year, Chelan PUD shall conduct a study assessing recreational use and needs within the Lake Chelan Basin, at a cost not to exceed \$100,000.

(h) Whitewater Boating: Within one year of the effective date of the new license, Chelan PUD shall file with the FERC, for approval, plans for a three-year whitewater boating monitoring study in the Chelan River. The whitewater boating monitoring plan shall be developed by Chelan PUD, in consultation with the American Whitewater Affiliation. Specifically:

(1) Upon FERC approval of such three-year study, Chelan PUD shall provide an annual schedule of whitewater releases for kayaks in the Chelan River during such three-year period. Chelan PUD shall release flows on the second and fourth weekends in July and September, except as provided in subsection (10). Flows on Saturdays shall be

between 300 cubic feet per second (cfs) and 375 cfs, and flows on Sundays shall be between 400 cfs and 450 cfs.

(2) Chelan PUD shall develop a reservation system for the whitewater boating monitoring study, whereby the scheduled water releases are made only if six or more kayakers make a reservation by 5:00 P.M. on the Thursday prior to the scheduled release date, and are physically present at the designated kayak put-in location by 10:00 A.M. on the date of the release, and liability insurance protecting the Chelan PUD's liability is in place, as provided in subsection (10) of this license article. Additionally, each kayaker shall be required to sign a liability waiver in a form satisfactory to Chelan PUD prior to launching his or her kayak in the Chelan River. Only non-motorized, hard-shelled kayaks suitable for Class V whitewater shall be allowed, and no kayaker less than 18 years old shall be allowed. If the conditions contained in this paragraph are met, Chelan PUD shall begin the ramping-up of releases to meet the flows specified in Subsection (1) of this license article at 11:00 A.M., and shall begin ramping-down no sooner than 6:00 P.M.

(3) A survey tool shall be designed by Chelan PUD, in consultation with American Whitewater Affiliation, to solicit input from whitewater boaters utilizing the Chelan River whitewater releases. The survey tool shall, at a minimum, query boaters on the suitability of the following: whitewater release dates, daily schedule, whitewater difficulty, spill volumes, access, carrying capacity, reservation system, and real time flow information.

(4) Chelan PUD shall conduct an annual meeting on or before May 1, whereby Chelan PUD and American Whitewater will review the annual whitewater report, as provided in subsection (5) of this license article, and make adjustments as warranted to the annual schedule and spill volume (subject to the limitations in subsection (8) and (10) of this license article), reservation system, and methods for liability protection for the upcoming year.

(5) Chelan PUD shall submit annual reports to the FERC on or before June 1 for the previous year's whitewater boating monitoring study in the Chelan River for the initial three years after the effective date of the new license.

(6) Chelan PUD shall submit a final report upon completion of the three-year whitewater boating monitoring study by May 1 of the year following completion of such monitoring study. The final report shall, at a minimum, include information on the dates and volumes of each release for the three-year study period, annual use patterns, and an analysis of user preferences based on survey data. The report shall also include recommendations for providing whitewater releases, if any, for the remainder of the new

license term. The report shall also make recommendations regarding, at a minimum, an annual schedule of releases (including volume and timing), a reservation system, the minimum number of boaters required to trigger a release, and a mechanism for liability protection.

Chelan PUD shall include with the final report documentation of consultation with American Whitewater Affiliation, and copies of comments and recommendations on the final report. Chelan PUD shall allow a minimum of 30 days for the American Whitewater Affiliation to comment and to make recommendations prior to filing the final report with FERC for approval. If Chelan PUD does not adopt a recommendation, the filing shall include Chelan PUD's reasons for not doing so, based on, among other things, any relevant project-specific information.

In the event that the FERC fails to respond to the final report recommendations, the conditions associated with the three-year whitewater boating monitoring study shall remain in effect for a maximum of two years while pending an FERC ruling.

(7) Chelan PUD shall make publicly available for the three-year whitewater boating monitoring study, and for the term of the new license, real-time flow information via the Internet for the Chelan River. This information may be published on the Chelan PUD Web site, or a third-party Web site. The Internet site shall include, at a minimum, the annual schedule for whitewater releases, instructions and requirements for the reservation system, and real-time flow data information. Adjustments to the reservation system must be posted by May 1.

(8) Upon completion of the three-year whitewater boating monitoring study and for the remainder of the new license term, Chelan PUD shall provide whitewater releases on the second and fourth weekends in July and September, provided that a minimum number of kayakers make a reservation by the Thursday prior to the scheduled release, through a reservation system developed and implemented by Chelan PUD, and are physically present by 10:00 A.M. on the date of the release. Chelan PUD, in consultation with American Whitewater Affiliation, may adjust the flow levels used following the three-year study, but in no event shall the number of releases exceed eight, nor shall the flow levels exceed 450 cfs. Chelan PUD shall also determine, in consultation with American Whitewater, the minimum number of kayakers required for future flow releases, but in no event shall the number be less than six. Chelan PUD may also make changes to the schedule and/or reservation procedures, in consultation with the American Whitewater Affiliation.

(9) Chelan PUD shall not be obligated to provide whitewater boating flow releases in the Chelan River when the previous day's average Stehekin River inflow is less than

333 cfs, or when the Mid-Columbia Index is greater than \$150/megawatt-hour (MWh), as adjusted pursuant to Section 19.1 of the Agreement.

(i) Operation and Maintenance of Riverwalk, Old Mill, Manson Bay Parks:

Chelan PUD shall continue, for the term of the new license, to own and operate the Riverwalk Park and Loop Trail and to maintain the shore access site, located in the City of Chelan, in accordance with Section 4.2.4 of Chapter 11 of the Comprehensive Plan. Chelan PUD shall continue, for the term of the new license and any subsequent annual licenses, to own Old Mill Park and Manson Bay Park, and shall be responsible for oversight of related operation and maintenance agreements with Manson Parks Recreation District, in accordance with Section 4.2.4 of Chapter 11 of the Comprehensive Plan.

(j) Reach 1 Access Trail: Beginning within one year of the effective date of the new license, Chelan PUD shall design and construct a non-motorized, non-paved, multi-use trail below the Lake Chelan Dam in Reach 1 of the Chelan River, in accordance with Section 4.2.5 of Chapter 11 of the Comprehensive Plan. The trail shall provide managed access to the Chelan River and connect to the Riverwalk Loop Trail. Planning and development shall be conducted by Chelan PUD, in consultation with adjacent landowners, Chelan County, the City of Chelan, the Lake Chelan Trails Committee, and other interested parties. The total capital cost to Chelan PUD for the Reach 1 Access Trail shall not exceed \$250,000. The annual estimated cost to Chelan PUD for operation and maintenance of the trail is \$4,500 for the term of the new license.

(k) Riverwalk Loop Trail Extension: Beginning within one year of the effective date of the new license, Chelan PUD shall design and construct a paved trail that links Chelan PUD's existing Riverwalk Loop Trail to the Reach 1 Access Trail, in accordance with Section 4.2.6 of Chapter 11 of the Comprehensive Plan. Chelan PUD shall seek approval from the FERC for crossing the Lake Chelan Dam as part of the trail extension design. If the FERC denies approval to cross the Lake Chelan Dam, the trail design and construction shall only include a trail from Riverwalk Loop Trail along the south shoreline of the Chelan River to link with the Reach 1 Access Trail. Planning and development shall be conducted by Chelan PUD, in consultation with adjacent landowners, Chelan County, the City of Chelan, the Lake Chelan Trails Committee, and other interested parties. The total capital cost to Chelan PUD for the Riverwalk Loop trail extension shall not exceed \$500,000. The annual estimated cost to Chelan PUD for operation and maintenance of the trail is \$5,000 for the term of the new license.

(m) Reservation of Lands: Beginning within 90 days of the effective date of the new license, Chelan PUD shall reserve by not selling or otherwise disposing of land located in Reach 1 of the Chelan River Bypassed Reach, within a portion of Parcel A of

Chelan County Short Plat No. 3195 lying northeasterly of the Chelan Gorge Road in accordance with Section 4.2.8 of Chapter 11 of the Comprehensive Plan. Chelan PUD shall reserve such land for future recreational development, while continuing to protect and maintain project purposes. Development or maintenance associated with such future recreational facilities shall not be the responsibility of Chelan PUD. Pursuant to FERC regulation, Chelan PUD shall not allow permanent structures within 200 linear feet of the project penstock's centerline.

(p) Trail Linkage to PUD Parks: Chelan PUD shall consult with interested organizations and individuals to integrate new trails with existing parks owned and/or managed by Chelan PUD, including Old Mill Park, Manson Bay Park, and Riverwalk Park, in accordance with Section 4.2.11 of Chapter 11 of the Comprehensive Plan. Specifically, Chelan PUD shall develop and construct modifications to existing Chelan PUD park entrances and exits to accommodate the integration of new trails. Chelan PUD shall not be responsible for development or operation and maintenance of such new trails.

DESCRIPTION OF PLAN

The licensee's RRMP describes the proposed recreation enhancements at Lake Chelan Hydroelectric Project, and details their implementation. Citing the poor condition of the sidewalk and handrail, and related hazards for users of the trail, Chelan PUD expedited repairs to the sidewalk and handrail along the north shore of the Chelan River, under Dan Gordon Bridge. Chelan PUD has now assumed responsibility for annual maintenance of this area as an extension of the current ongoing maintenance of Riverwalk Park.

A feasibility study was conducted in cooperation with the City of Chelan, residents along Water Street and Terrace Avenue, community members, and the Lake Chelan Recreation Forum. Three micro park options were evaluated. The final recommendation was that a micro park is not feasible on the parcels owned by Chelan PUD. Chelan PUD has determined that these parcels should remain undeveloped for future project purposes. In the future, if the City of Chelan or local stakeholders construct trails, Chelan PUD would work with them to ensure integration with Chelan PUD owned lands and trails.

Pursuant to license article 407(c) and requirement 11(p) of the settlement agreement, the City of Chelan and other local stakeholders may construct trails in the future that would connect to existing Chelan PUD parks and trails. The licensee would notify the Commission within 30 days of completing construction of, or modifications to any trails.

Settlement Agreement Requirements

11(g): The recreation use study would evaluate existing recreational use and demand in the Lake Chelan Basin. Data for the recreation use study would be collected in years 21 and 22 of the license, and a recreation use assessment report would be completed in year 23 of the license. The study area would include all public recreational resources within the project boundary. At least 180 days before implementing a study, the study and its implementation schedule would be submitted to the FERC for approval.

11(h)(1) - (9): Chelan PUD would conduct a three-year whitewater boating monitoring study in the Chelan River. The plan for the whitewater boating monitoring study was developed by Chelan PUD in consultation with the American Whitewater Affiliation and the Lake Chelan Recreation Forum.

(1): During the three-year whitewater boating monitoring study, Chelan PUD would release flows on the second and fourth weekends in July and September. Flows on Saturdays would be between 300 cfs and 375 cfs, and flows on Sundays would be between 400 cfs and 450 cfs. Chelan PUD would begin the ramping up of releases to meet these flows at 11:00 am and would begin ramping down no sooner than 6:00 pm each day. Chelan PUD would not be obligated to provide whitewater boating flow releases in the Chelan River when the previous day's average Stehekin River inflow is less than 333 cfs, or when the Mid-Columbia Index is greater than \$150/MWh (\$2001), as adjusted pursuant to section 19.1 of the Settlement Agreement.

(2): Water releases would be made only if six or more kayakers make a reservation with Chelan PUD by 5:00 pm on the Thursday prior to the scheduled release date. In addition, all reserved participants would have to be physically present at the designated kayak put-in location by 10:00 am on the date of the release. No kayaker less than 18 years of age would be allowed to participate. It is recommended that all participants scout the river ahead of time and watch a 20-minute video of kayaking in the Chelan River Gorge, which is available either in the Chelan PUD offices in Wenatchee or Chelan, or on the Chelan PUD's website.

(3): Each kayaker would be asked to fill out a survey at the end of the run. The survey tool would provide important information that would be compiled and submitted in a report to the FERC. The survey would query the whitewater boaters on the suitability of the following: whitewater release dates, daily schedule, whitewater difficulty, spill volumes, access, carrying capacity, reservation system, and real-time flow information.

(4): Chelan PUD, in cooperation with American Whitewater, would conduct an annual meeting on or before May 1 each year to discuss the annual whitewater report to be submitted to the FERC on or before June 1. Adjustments would be made to the annual schedule, spill volume, reservation and liability requirements, based on input from Chelan PUD and American Whitewater, and on the evaluation of the surveys collected from participants in the previous year's study.

(5): Chelan PUD would submit annual reports to the FERC on or before June 1 for the previous year's whitewater boating in the Chelan River for the three years of the monitoring study.

(6): Chelan PUD would submit a final report by May 1 following the completion of the three-year whitewater boating monitoring study. The final report would include information on the dates and volumes of each release for the three-year study period, annual use patterns, and an analysis of user preferences based on survey data. The report would also include recommendations for providing whitewater releases, if any, for the remainder of the license term. These recommendations would include an annual schedule of releases, including volume and timing, reservation system and minimum number of boaters required to trigger a release, and mechanism for liability protection. The final report would document consultation with American Whitewater.

(7): Chelan PUD would make real-time flow information publicly available for the three-year whitewater boating monitoring study, and for the term of the new license, via the Internet for the Chelan River. The Internet site would include, at a minimum, the annual schedule for whitewater releases, instructions and requirements for the reservation system, and real-time flow data information.

(8): Upon completion of the three-year whitewater boating monitoring study and for the remainder of the new license term, Chelan PUD would provide whitewater releases on the second and fourth weekends in July and September, provided that a minimum number of kayakers make a reservation by the Thursday prior to the scheduled release, and are physically present by 10:00 A.M. on the date of the release.

11(i): Chelan PUD would continue to address public access and recreational use of project lands. The 1976 Exhibit R identified four areas for recreation development. Chelan PUD developed the four recreation sites.

11(j): Chelan PUD intends to design and construct, within one year of the effective date of the license, a non-motorized, non-paved, multi-use trail below the Lake

Chelan Dam in Reach 1 of the Chelan River bypassed reach. The trail would provide managed access to the Chelan River and connect to the Riverwalk Loop Trail. Planning and development would be conducted by Chelan PUD, in consultation with adjacent landowners, Chelan County, the City of Chelan, the Lake Chelan Trails Committee, and other interested parties.

11(k): Chelan PUD constructed the Riverwalk Loop Trail in Riverwalk Park.

11(m): The City of Chelan identified that the community is in need of lands for future development of recreation facilities or enhancements, such as baseball or soccer fields. Chelan PUD owns property adjacent to the Chelan River that could be utilized for recreational and/or public development, while continuing to protect and maintain project purposes.

11(p): The City of Chelan and other local stakeholders may construct trails that would connect to existing Chelan PUD parks and trails.

AGENCY CONSULTATION

The licensee discussed the RRMP with appropriate agencies during meetings throughout 2007. Rich Uhlhorn, on behalf of the Lake Chelan Community Stakeholders (LCCS), which consists of the Lake Chelan Trails Committee, Lake Chelan Recreation Association, Lake Chelan Chamber of Commerce, Lake Chelan Tourism Promotion Group, Lake Chelan Recreation Development Foundation, Lake Chelan Recreation Forum, City of Chelan, and the Social-Economic Study Group, submitted a position paper on the RRMP. The LCCS claims that Chelan PUD is not following the intent of article 407, which provides for the design and construction a trail along the south shoreline of the Chelan River.

Based on design and engineering work conducted since the license was issued, Chelan PUD concluded that it is not feasible to place the trail (which would be in the form of an elevated boardwalk) immediately adjacent to the south shore of the Chelan River, due to public-safety and dam-access concerns, and prohibitive construction costs. To find an alternate route along the south shoreline of the River, Chelan PUD met with the adjacent landowners, Chelan County, the City of Chelan, the Lake Chelan Trails Committee, and other interested parties. The Lake Chelan Trails Committee proposed that the trail traverse the slope about 100 feet above the south shoreline of the Chelan River. Like the initially considered route, this route would be a paved, multi-use, ADA (Americans with Disabilities Act)-accessible, five-foot-wide trail. Like the other route, it also provides interpretive and educational opportunities at an overlook above the dam, provides a 20-space parking lot, and connects to the Reach 1 Trail. Because the initial

route involved an elevated boardwalk with a guardrail, nothing in the way of river access is lost by moving the route farther up the slope. For these reasons, Chelan PUD revised the route as described, and believes that doing so is consistent with both the intent and purposes of the license article.

The LCCS also states that Chelan PUD should provide a trail that is a loop, rather than a trail that travels along Reach 1 of the Chelan River, ending at an overlook. Chelan PUD's proposed RRMP, includes a non-motorized, non-paved, multi-use trail in Reach 1 of the Chelan River bypassed reach, providing managed access to several sections of the Chelan River. This trail would add about 1.6 miles of multi-use trail, which would double the length of the existing trails, and would address the need for additional trails in this area. This trail connects with the Riverwalk Loop Trail through the Riverwalk Loop Trail Extension. Chelan PUD consulted with adjacent landowners, Chelan County, the City of Chelan, the Lake Chelan Trails Committee, and other interested parties throughout the development process. This trail meets the license obligation outlined in license article 407.

The LCCS asserts that Chelan County PUD should construct a trail further downstream into Reach 1 of the Chelan River. Chelan PUD has consistently maintained that the area downstream of the planned trail is unsafe. Chelan PUD has no obligation under the new license to construct such a trail, and does not intend to do so because there are several areas where the steepness and configuration of the slopes, and the makeup of the soils, make it unstable and impassable; increased foot traffic would cause sloughing of sediment into the Chelan River, impacting project operations; the steepness of the terrain and eroding soil causes a safety hazard to people on foot; the steep terrain makes access to the Chelan River dangerous; within several hundred feet is a Chelan County access road that can easily and more safely be traveled to take people, either by foot, on bicycles, or in cars, to the lower reaches of the river; and letters from the Chelan County Sheriff's Department and the Chelan County Fire District have indicated their disapproval of any activities in the lower reaches of the Chelan River, due to the extremely hazardous conditions.

The LCCS's comments also assert that Chelan PUD should be building additional trails throughout the community, and that the feasibility study for a micro park on Terrace Avenue and Water Street was inadequate. Chelan PUD responds that it has no obligation under the new license to construct additional trails, but is always willing to work with the City of Chelan on future trail planning outside the license. The feasibility study was conducted in accordance with license article 407, including consultation with the Lake Chelan Recreation Forum. Although three micro park options were evaluated, the final recommendation was that a micro park was not considered to be feasible on the

parcels owned by Chelan PUD. In addition, Chelan PUD has determined that these parcels should remain undeveloped for future project purposes.

The LCCS's comments express concerns with respect to whitewater boating. One of the primary concerns is the attention to whitewater boating on the Chelan River, which is out of proportion to other recreational enhancements, including trails. The LCCS does not feel Chelan PUD has sufficiently considered and/or addressed spectator-safety issues in conjunction with allowing whitewater-boating activity to take place. Chelan County PUD responds that spectator safety is a concern, and every precaution to ensure an environment of safety for all of those participants in whitewater-boating activity, as well as the spectators, would be taken.

Dr. Jim Busey, Lake Chelan School District Superintendent, provided comments strongly supporting the efforts to provide a quality trail system in Reach 1 of the Chelan River Gorge. Dr. Busey's comments indicate that the trail system would greatly benefit residents, visitors, and students in the Lake Chelan Valley.

Scott McKellar provided comments as a follow-up to a meeting regarding the micro park feasibility study on Terrace Avenue and Water Street. During the meeting, it was agreed that some wording would be added that allowed for a potential recreation purpose in this area. There was discussion about removing the sentence "In addition, Chelan PUD has determined that these parcels should remain undeveloped for future project purposes". However, Mr. McKellar requested that this sentence remain in the RRMP. Chelan PUD responded that these changes were incorporated in the RRMP.

Tricia Page commented that she attended a public meeting to see the route of the proposed trail along Terrace and Water Streets, near the lake in Lakeside. Ms. Page's comments urge the City Council to keep the proposed route of the trail along Terrace and Water Streets, near the lake, and support the request submitted to Chelan PUD to revisit the plan to build a public park at the corner of Terrace and Water Streets. Chelan PUD responded that through the licensing process, a feasibility study was done based on the scope of work outlined by the project license. Compatibility with existing uses was analyzed and potential conflicts were considered. The specific site was reviewed and the potential benefit was then weighed against the adverse impacts. Chelan PUD further responded that based on the extensive study done, a micro park is not considered to be feasible for this location. As the city develops further plans, Chelan PUD would listen to ideas and partner, when possible.

Bob Christopher, President of the Lake Chelan Chamber of Commerce Board of Directors, commented that the Board of Directors believes it is vital to continue to enhance recreational opportunities designed to encourage more visitors, and that the

Board has decided to support the position paper submitted by the Lake Chelan Trails Committee. The Board of Directors supports the suggestions offered in the paper and asks that Chelan PUD continue its strong tradition of working with its stakeholders, and communities by which it is owned, to find reasonable solutions to the concerns voiced within the paper. Chelan PUD referred to its responses to the position paper, and reiterated that Chelan PUD is always willing to listen to ideas and partner, when possible.

Christopher Glasspool provided support for the position conveyed by the Trail Committee Stakeholders Group in its paper. This letter also questioned why no reason was given by the Department of Homeland Security to close down the trails project, and the lack of proper response by Chelan PUD to the trails committee. Mr. Glasspool would like to see the complete Chelan Gorge open again to the public for hiking and recreating for the many hundreds of days out of the year that no dangerous spills are taking place. Mr. Glasspool subsequently clarified his stance on the trail project. Mr. Glasspool wants as big a trail system as possible and would like the system to go further than the currently negotiated proposals, and have them described. Mr. Glasspool also questioned the Department of Homeland Security control of access to the dam area.

Chelan PUD responded to Mr. Glasspool and provided a brief history of the relicensing process, including the work of the Social Sciences Working Group (the recreation planning group) and of members of the settlement group (including Art Campbell, Rich Uhlhorn, and Jim Urness from the trails committee) in developing the agreement reflected in the RRMP. Chelan PUD stated the RRMP was submitted to the Commission on October 8, 2003 for review and acceptance. The licensee also stated the RRMP was part of a comprehensive settlement agreement that included 11 different management plans, and the work of many agencies, stakeholders, the City of Chelan, and community members. On November 6, 2006, Chelan PUD received a new license, which required the RRMP be re-submitted to reflect further details, including development and construction plans and an implementation schedule. The licensee remarked that although a long time has passed since an agreement was reached, the plans now being developed reflect the agreement that was negotiated and agreed upon in 2003. Regarding questions about crossing the dam, Chelan PUD further responded that since September 11, 2001, increased dam access restrictions have been put in place at all three Chelan PUD dams. The licensee explained that although crossing the dam was a costly endeavor, it was agreed by the negotiating team in 2003 that if crossing the dam was in question, due to security reasons, that a boardwalk would be considered along the shoreline, and if that proved to be too costly, an alternative route would be considered. After discussions with the Lake Chelan Recreation Forum, the Lake Chelan Trails Committee, the Chamber of Commerce, and community members, a reasonable option was proposed by the Lake Chelan Trails Committee. The licensee asserted that the proposed trail alternative, which traverses the hill overlooking the shoreline of the Chelan River and the Chelan Dam, not

only fits within the scope of the license measure, but it fits within the constraints of Chelan PUD security staff as well.

Robert Eier also provided comments on the RRMP. These comments request that more trails and parks, in addition to those proposed in the RRMP, be completed at the project. In Chelan PUD's response to Mr. Eier, the relicensing process was described, as was the work the Social Sciences Working Group and members of the settlement group completed to come up with the agreement reflected in the RRMP.

DISCUSSION AND CONCLUSION

The RRMP addresses the requirements of article 407. The RRMP describes the proposed recreational enhancements at the project, and details their implementation. The feasibility study determined that a micro park is not feasible on the parcels owned by Chelan PUD, and that the parcels should remain undeveloped for future project purposes. If the City of Chelan or local stakeholders construct trails in the future, Chelan PUD would work with them to ensure integration with Chelan PUD-owned lands and trails. If the City of Chelan and other local stakeholders construct trails in the future that would connect to existing Chelan PUD parks and trails, the licensee would notify the Commission within 30 days of completing construction of, or modifications to any trails.

The requirements set forth in Article 11(g), (h)(1) – (9), (i), (j), (k), (m), and (p) of the Lake Chelan Settlement Agreement are also addressed in the RRMP. The recreation use study would evaluate existing recreational use and demand in the Lake Chelan Basin; a three-year whitewater boating monitoring study has been developed; Chelan PUD would continue to address public access and recreational use of project lands; Chelan PUD would design and construct a non-motorized, non-paved, multi-use trail below the Lake Chelan Dam in Reach 1 of the Chelan River Bypassed Reach; the Riverwalk Loop Trail in Riverwalk Park has been constructed; lands for future development of recreation facilities or enhancements have been identified; and Chelan PUD would work with the City of Chelan and other local stakeholders, so constructed trails would connect to existing Chelan PUD parks and trails.

The licensee incorporated or adequately addressed comments received during consultation. The licensee's recreation resource management plan provides whitewater boating releases, and for the improvement and maintenance of recreation facilities for public access at the Lake Chelan Hydroelectric Project, and should be approved.

The Director's orders:

(A) Public Utility District No. 1 of Chelan County's resources management plan, filed November 7, 2007 pursuant to article 407 of the project license, is approved.

(B) This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of this order, pursuant to 18 C.F.R. ' 385.713.

Robert J. Fletcher
Chief, Land Resources Branch
Division of Hydropower
Administration and Compliance