July 7, 2009

Honorable Kimberly D. Bose, Secretary, and
Nathaniel J. Davis, Sr., Deputy Secretary
FEDERAL ENERGY REGULATORY COMMISSION
888 First Street NE
Washington, DC 20426

Re: Rocky Reach Hydroelectric Project No. 2145
Article 406 – Request to Approve Reimbursement of Upgraded Irrigation System Costs regarding Orondo Park

Dear Secretary Bose and Deputy Secretary Davis:

Public Utility District No. 1 of Chelan County, Washington (Chelan PUD), licensee for the Rocky Reach Hydroelectric Project No. 2145 (Project), hereby requests the Federal Energy Regulatory Commission’s (Commission) approval for Chelan PUD to reimburse construction costs of an upgraded irrigation system at Orondo Park (Park), which is located 15 miles north of the Project dam on the east side of the reservoir near the town of Orondo, Washington.

Chelan PUD supported the immediate work, which, as fully described below, did not result in any adverse environmental impact and was consistent with the recreation plan and operations for the Project.

Background
The upgrade of a “like” irrigation system is considered routine maintenance of the Park. However, as part of the settlement negotiations for the relicensing of the Project, Chelan agreed to include the design and construction of an upgraded irrigation system for the Park in the Final Rocky Reach Comprehensive Settlement Agreement (Settlement Agreement), February 3, 2006. The Settlement Agreement was filed with the Commission on March 20, 2006.

In a letter dated March 17, 2006, Mr. Patrick Haley, Director of the Port of Douglas County, requested that Chelan PUD reconsider expediting construction of the aged and dysfunctional irrigation system (see Attachment A). The Port offered to install the system themselves now and seek reimbursement from Chelan PUD when the Commission issued the new license. Chelan PUD’s response letter of March 27, 2006, is also included.

The Port of Douglas County (Port) partially owns the south 3.82 acres and operates the Park. Chelan PUD owns the remaining north 1.84 acres of the Park.
On February 19, 2009, the Commission issued the *Order on Offer of Settlement and Issuing New License* (License) for the Project. The Project License requires a number of measures related to development of recreation facilities. License Article 406 requires Chelan PUD, within one year of the license issuance date, to file with the Commission a Recreation Resources Management Plan (RRMP). One component of the RRMP relates to the design and upgrade of the Orondo Park irrigation system.

**Description of Proposed Measure and Exhibit R Lands**
The area where this work occurred was on Park land owned by the Port and Chelan PUD. The land is located 15 miles north of the Project dam on the east side of the reservoir near the town of Orendo, Washington (see Attachment B: Vicinity Map; Attachment C: Parcel Map). This work does not affect the Project boundary or Park boundary.

The upgraded irrigation system is of “like kind” to the former system. The improvements alleviate leakage of water creating sink holes and puddles, which encourage insect populations, provide for higher efficiency as to when and how much irrigation is released and reduce annual operation and maintenance costs.

**Description of Construction Details and Schedule**
Details of the work of the completed construction done in May 2006 are provided in Attachment D. This work did not involve the disturbance of any new areas, thus permitting was not required prior to construction. The Port will own, operate and maintain the upgraded system. Chelan PUD developed an addendum to the current operating agreement with the Port.

The actual cost for the work was $31,475. Chelan PUD will reimburse the construction costs not to exceed $25,000 pending the Commission’s approval.

Chelan PUD respectfully requests the Commission’s approval of this matter. For additional information, please direct correspondence or communications to Kris Pomianek, Recreation Administrator, at (509) 661-4186 or me.

Sincerely,

Michelle Smith
Licensing and Compliance Manager
michelle.smith@chelanpud.org
(509) 661-4180

cc: Erich Gaedeke, FERC
    Ray Heit and Kris Pomianek, Chelan PUD

Enclosures:
Exhibit A – Port of Douglas County’s letter and Chelan PUD’s response letter
Exhibit B – Vicinity Map
Exhibit C – Parcel Map
Exhibit D – Construction As-builts and Costs

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1 126 FERC ¶ 61,138
March 17, 2006

Greg Jones  
CHelan County PUD #1  
PO Box 1231  
Wenatchee, WA 98807 – 1231

Dear Greg:

In consideration of the age and dysfunction of our irrigation system at Orondo River Park, the Port of Douglas County would like to move forward with the installation of a new system. Since Chelan County PUD has proposed to upgrade our system with the approval of your FERC license of Rocky Reach Dam, the Port would like to propose installing the system ourselves now, and seek reimbursement from the PUD when your federal license is approved in the future. This reimbursement proposal would not exceed the amount the PUD had intended to spend on the project with your license application.

We also believe this may actually save the PUD money by installing the system a couple of years in advance of when the funding is actually available. Plus, the Port intends to install the system ourselves and submit a RFP from several irrigation system suppliers for both design and procurement of materials. Of course, we understand that the PUD is under no obligation for reimbursement of this project if your budget is not approved. The Port believes that regardless of who pays for the system, we should move forward with this project to save both time and resources.

Would you please provide a confirmation of this proposal after you’ve had a chance to review our request? We appreciate your partnership with the Port for the operation of the Orondo River Park, and we believe this will be a valuable improvement for campers and recreationists alike in North Central Washington. Thank you for your consideration.

Best regards,

PORT OF DOUGLAS COUNTY

Patrick Haley  
Director
March 27, 2006

Patrick Haley
Pangborn Airport
Business Park
3306 5th Street SE
East Wenatchee, WA 98802

Dear Pat,

Greg Jones shared your letter with me regarding the irrigation system proposed through the new License for Rocky Reach Dam. I appreciate that the current system is in need of replacement and understand that moving ahead at this time would be in the best interest of the ongoing maintenance of Orondo Park.

Rocky Reach Dam’s current license expires on June 30, 2006. Although it is our hope that a new license would be issued from FERC immediately following that date, it is more realistic to assume that it will take FERC months to evaluate and process the New License. We cannot implement any of the measures outlined in the documents until a New License is issued by FERC and accepted by Chelan County PUD.

In the Comprehensive Settlement Agreement, the license article that refers to the design and construction of an upgraded irrigation system throughout Orondo Park states, that within 180 days of the effective date of the New License for Rocky Reach Dam, Chelan PUD will begin design and construction of an upgraded irrigation system in Orondo Park for an amount not to exceed $25,000.
Your letter indicates that the Port of Douglas County would like to perform that work in advance of our receipt of a New License and would like to be reimbursed for the work done. If the new irrigation system is approved by FERC and included in the New License for Rocky Reach Dam, within 180 days of the effective date of the New License, Chelan PUD will reimburse the Port of Douglas County for the design and construction of the upgraded system for an amount not to exceed $25,000.

If you have any questions, give me a call.

Sincerely,

Gregg Carrington

Cc: Greg Jones
    Kris Pomianek
EXHIBIT C – PARCEL MAP
EXHIBIT D – CONSTRUCTION AS-BUILTS AND COSTS
June 19, 2009

Kris Pomianek
Recreation Resources Administrator
Chelan County PUD
PO Box 1231
Wenatchee, WA 98801

Dear Kris:

Here is the information you requested regarding our expenses for the Orondo River Park Irrigation Project. Essentially the agreement was for the PUD to provide the materials and the Port would provide the labor. We’ve enclosed all the back-up documents to show our expenses for the project, including copies of the warrant registers for each vender and receipts for the items used specifically of the ORP irrigation system. The actual amount for materials used on the project is $31,475, but the Port will assume the additional costs for supplies above the agreed upon proposal of $25,000. Also, the enclosed drawing provides information on the location of the irrigation lines and sprinkler heads.

Let me know if you need more information. Thank you for assisting us with the completion of this project.

Gratefully yours,

Patrick Haley
Director

Enclosures