The Lake Chelan Legacy

Recommendations to the Chelan County P.U.D. Board of Commissioners & Management Staff

Lake Chelan Hydro Electric Project
FERC Project #637
1-14-02
Presented on Behalf of These Local Stakeholders:

- The City of Chelan
- Manson Parks District
- Lake Chelan Chamber of Commerce
- Lake Chelan Recreation Association
- Chelan Sportsmen's Association
- People for Lake Chelan
- Lake Chelan Lodging Association
- Lake Chelan Public Trails Association
Purpose of Presentation:

- Provide PUD decision makers with important local perspectives regarding the Lake Chelan project and the 50 year license renewal.

- Seek cooperative solutions which effectively serve FERC relicensing requirements, the District, the ratepayers, and the affected citizens.
Background Information: The Past 30 Years

- In 1976, the insightful leadership of Chelan County PUD proposed “Exhibit R” as a component of the Lake Chelan relicensing agreement to address social & economic impacts.

- “Exhibit R” was highly successful, garnering both FERC approval and accolades from the public.
“Exhibit R” Success

Today, the “Exhibit R” facilities are among the finest anywhere. They have fulfilled the intent of the 1974-2004 license conditions beautifully.
The parks are enjoyed by people of all ages and abilities. They are beautifully kept and have enhanced both the quality of life and the economic base within Chelan County.
With each license renewal comes both the **opportunity & the responsibility** to plan ahead for continued stewardship – just as our predecessors did 20+ years ago.
Local Perspective

- We consider Chelan County PUD to be a remarkable organization, and the Lake Chelan Hydro Electric Project to be largely beneficial to the entire region.

- However, with the benefits of hydropower, there are also impacts, especially to the communities situated nearest to the reservoir.
The residents of Lake Chelan are directly affected by the operation of the Lake Chelan Hydro Electric Project in a variety of ways.

Our economy & standard of living are largely sustained by the availability of the resource & the quality of access to it.

We drink from it, irrigate with it, recreate within it, pay inflated prices for land and taxes because of it, and travel further to procure goods and services to live near it.
Local Perspective

- Although the reservoir provides many obvious benefits, there are also significant impacts. We are requesting that these impacts be recognized.

- The Chelan area has lost substantial sums of public & private land to accommodate reservoir elevations.

- Several city streets and public right of ways were permanently vacated so the reservoir could be raised for power generation.
Local Perspective

- Most of the downlake beach areas are underwater during summer and can not even be seen, except during winter draw down.

- Due to sustained inundation, we now have eroding banks, concrete retaining walls, and non-user-friendly rip rap shorelines in place of the flat, accessible, sandy shorelines that once defined much of the lower end of Lake Chelan.
Local Perspective

Over the past 3 years, area businesses, citizens, and local agencies have invested hundreds of hours and thousands of dollars to be responsibly and meaningfully involved in the PUD’s relicensing process.

We wish to support license renewal and provide local perspectives as key decisions are made which will affect the Lake Chelan Valley over the 50 year course of the new license.
Local Perspective

- But, so far, local interests and proposals have been given very low priority in the relicensing process.

- The emphasis has clearly been placed with the state & federal agencies who have mandatory conditioning authority.
Local Perspective

- While we understand mandatory conditioning powers, we believe relicensing-related local public interests should also receive due credence from our local public utility district.

- As a result, we formed a consortium of local stakeholder representatives to review relicensing matters from varied perspectives. Collectively, we have identified areas of consensus and concern regarding the PUD’s current relicensing emphasis.
Local Perspective

- In most areas, we agree with and support PUD positions for license renewal. We support the use of the Lake for power generation, flood control, and the near full pool targets which are also beneficial to recreation & irrigation.

- However, we feel the present license application does not adequately address the Social & Economic Impacts of project operations on lower Lake Chelan.
The Lake Chelan Hydro Electric project is owned and operated by the public, specifically for public benefit within Chelan County.

The Lake Chelan Dam is located within the township of Chelan, WA.

Chelan Dam has no debt or outstanding obligations. The project is able to operate well into “the black”.
Unique Situation

- Lake Chelan provides storage for 3 Chelan County PUD hydroelectric projects, thus magnifying the economic value of this hydro resource.

- The public ownership and economic vitality of the Lake Chelan Hydro project places our PUD in the position to invest earnings back into related community resources where economic aid is badly needed.
The following points outline a collective local proposal for resolution to the Social Science impacts, as well as the basis for these recommendations.

The proposals are intended to supplement the license terms & conditions which PUD relicensing staff and Working Group Members have developed in the Social Sciences resource area.
The Lake Chelan Legacy

It is our proposal today to seek Chelan County PUD participation in a course of action which will have a lasting and comprehensive effect on Lake Chelan for the next 50 years—much like the 1976 Exhibit R program did.
Vision: The Lake Chelan Legacy

- We envision a renewed spirit of cooperation among the agencies and citizens of Chelan County which will allow us to accomplish far more together than any of us could do alone.

- We envision a program which reaches beyond perceived boundaries and allows us to realize a new potential--together.
Comparison: “Exhibit R”

- **LAST LICENSE (1974-2004):**
  
  30 year FERC license requirement for development of recreation facilities was met with $10 million (1981 $) for capital facilities development.

* In present day value, this amount is equivalent to roughly $20 million for a 30 year period, or $32 million for a 50 year period.
**Comparison: “Exhibit R”**

- **THE CURRENT LICENSE APPLICATION (2004-2054):**

  PUD proposal for 50 year FERC license renewal includes less than $5 million for recreation facilities, most of which will be used for maintenance & repair of existing, federally owned facilities in the remote uplake area. Less than $1 million is proposed by PUD relicensing staff for development of new facilities in the downlake area.
P.U.D. SOCIAL SCIENCES STUDY REPORTS

Lake Chelan Hydro Electric Project #637

**Key Facts & Findings**
- Recreation Use Assessment
- Recreation Needs Forecast & Analysis
- Socio-Economics Study

20 Year Studies for 50 Year Project
PUD Recreational Use Assessment shows that 95% of average daily use occurs in the downlake area. (Uplake average daily use is 392/day, downlake average daily use is 6,959/day)

From PUD Recreational Use Assessment Study Report, February 2000, page 102, table 6
Study based on 1998 & 1999 monitoring May 23-September 7
Top Reservoir Related Recreation Facility Needs in the Downlake Area:

- Public beaches (sandy)
- Public shoreline trails
- Increased boat launch capacity
- Additional campsites

From Recreation Needs Forecast & Analysis, July 2000, page 8-1
Study based on monitoring during 1998 peak & fall seasons, 1999 spring season
FACTS & FINDINGS: Beaches

- More than 2,200 people per day visit the beaches of lower Lake Chelan.
- Additional beach access is badly needed.

From Recreation Needs Forecast & Analysis, July 2000, page 6-15
FACTS & FINDINGS: Trails

“State, national, and local surveys have indicated demands for trails more than any other type of facility, especially trails near towns and that provide beach access.”

*From Recreation Needs Forecast & Analysis, July 2000, page 8-1
FACTS & FINDINGS: Access

- The PUD Socio-Economic Study states, “adequate access to water facilities is critical”

- The study also confirms “parks are reaching or exceeding capacity at the present time, especially at downlake sites.”

*From Socio-Economic Study, January 2000, pages 26, 27*
FACTS & FINDINGS: Capacity

Existing “Exhibit R” & other local facilities will not be able to meet projected demand for the 20 year study period, let alone the proposed 50 year license period.
Relicensing Direction:
Contrary to Facts & Findings

- More than 80% of recreation facility relicensing funds are currently allocated to federal uplake sites, although 95% of the use occurs in the downlake area.
- Despite growing demand, no new lake access facilities are proposed in the current license renewal application to address projected deficiencies in capacity.
- PUD staff have declared the majority of our downlake proposals as “non project related”. They suggested we go directly to you, the commissioners.
Why Not Downlake?

There is an obvious need for improved & additional public facilities in the populated areas of lower Lake Chelan.
We would like to see the PUD cooperate with the local community so we can all ensure that our public recreation facilities will be able to effectively serve the public for the coming 50 year license period.
“Exhibit R” The Next Generation - thinking out of the box

Protection, Mitigation & Enhancement
Proposed Downlake Projects
Social Science Resources
Project #1: Lakeshore Park Complex
Chelan, WA

- There is a tremendous need & opportunity to provide improved public access on lower Lake Chelan.
The beach at Don Morse Park, as it appeared in April of 1988, was the most popular public access site on Lake Chelan.

Operation of the Lake Chelan Hydro Electric Project has contributed to continuing erosion problems, including damage to park land, loss of beach material, reduction in public access opportunities, and the expenses associated with trying to control the erosion problems at this site.
Subsequent local efforts to control erosion actually contributed to further degradation. What was once the largest public beach on Lake Chelan is gone.
SOLUTION:

We propose site improvements to control erosion, restore the beach, improve public access to Lake Chelan, and increase the safety & aesthetics of the public shoreline.
Project #2: Street End Micro Parks

- Develop lake access “Micro Parks” where unused public street right of ways meet the water.
There are a handful of other locations where small water access sites can be developed within existing PUD property & city right of ways.
Project #3: The Lower Lake Chelan Shoreline Trail System
The proposed trail system would provide a network of paved, multi-use trails around lower Lake Chelan.
The trails would improve public safety by providing a separated and orderly non-motorized route between existing waterfront parks.
The trails would provide improved access to existing parks, potentially reducing the demand for vehicle parking...

..as well as providing an outlet for dispersed recreation and alternative shoreline activities, offering needed relief to overcrowding at concentrated park sites.
The trails would be located within public road right of ways and other public lands, including PUD property.
A waterfront trail system would literally change the face of lower Lake Chelan.

Construction is expected to include erosion control, native plantings, pollution control, and water access components.
The system could provide miles of new waterfront access opportunities & a variety of recreational possibilities.
Proposed Lower Lake Chelan Shoreline Trails & Water Access Improvements

50 YEAR PARTNERSHIP PLAN – LAKE CHELAN HYDRO ELECTRIC PROJECT

GOAL: Partner in accomplishing a system of multi-use trails which link existing waterfront facilities, provide improved public access & safety, and offer diversified recreation opportunities along the lower Lake Chelan shoreline.

1) NORTHSHORE PATHWAY:
Manson to Chelan (7 miles)
*Feasibility study completed

2) LAKESIDE CITY TRAIL:
Don Morse Park to Lakeside Park (2.5 miles)
*Feasibility study in progress

3) SOUTHSHORE TRAIL:
Lakeside Park to Lake Chelan State Park & Twenty-Five Mile Creek State Park (17 miles)
*Plan for long range development

4) RIVERWALK LOOP COMPLETION:
Complete Riverwalk Loop across Chelan River at Old Bridge (app. 800’)
*Overlaps with part of Lakeside Trail

5) POTENTIAL WATERFRONT ACCESS POINTS:
May include: viewing, swimming, fishing, small boat access, docks, drinking fountains, litter receptacles, parking, interpretive signs, benches, picnic tables, and landscaping. May double as trail rest stations.
*May be developed independently of trail system

6) RIVERWALK LOOP ADDITION:
Short loop around Chelan River via Dan Gordon Bridge & Lake Chelan Dam
Connect to Chelan Gorge *PUD is studying feasibility of this project in-house
Project #4: Old Mill Park Campground

- Additional camping facilities are needed in the downlake area. Development of a public campground is proposed to make use of PUD property at Mill Bay Park in Manson.
Project #5: Chelan Gorge Managed Access Program

Develop & implement a comprehensive managed access program which addresses compatible uses and public access throughout the Chelan Gorge.
The potential for hiking, camping, picnicking, viewpoints, and other outdoor opportunities should be explored before being ruled out.
A managed access program should assess the demand, design, placement, safety issues, & policies related to public access in the Chelan Gorge over the next 50 years.
Additional Proposal: Long Range Planning

Reserve 2 pieces of undeveloped PUD lands for potential future recreation development.

- Penstock area for public recreation and/or campground

- The Water Street area for beach access/potential marina
The Proposed PME’s meet or exceed essential relicensing objectives:

- The proposed facilities meet the goals of the Federal Power Act section 10a by effectively contributing to the best public use of the waterway in a manner which balances power and non power values.

- The proposed facilities are consistent with the top priorities established in state & local comprehensive outdoor recreation plans.

- The proposed facility types have been identified as the most needed types of facilities in Chelan County P.U.D.’s Relicensing studies for recreation & socio-economics.

- The proposed facilities will provide new and improved access to the reservoir and its shorelines for all sectors of the public, including the disabled, in accordance with the Americans with Disabilities Act.

- The proposed facilities will provide a variety of reservoir-related recreational, scenic, and educational opportunities.
Cost Estimates:

The projects identified here, (PME’s 1-4 described previously; no estimates included for Chelan Gorge), total an estimated $22.5 million (2001 $), including maintenance & capital improvement costs, over the 50 year license period.

<table>
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<th>Project:</th>
<th>Initial Capital Cost:</th>
<th>50 year Replacement Capital and O&amp;M:</th>
<th>Total Estimated Cost:</th>
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<td><strong>Estimated Totals:</strong></td>
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*All estimates are in present day value 2001.*
The Lake Chelan Legacy

- Innovative partnerships and cooperative funding are proposed to allow the PUD and local stakeholders to work together to meet the demands of the future, without any one agency bearing the full burden of responsibility.

- We are requesting PUD funding for 50% of the estimated total cost of the local Protection, Mitigation, & Enhancement measures described in projects 1-4.
Proposal: Lake Chelan Legacy

- We propose that Chelan County PUD allocate $11.25 million in principal funding which will be placed into a “Local Endowment Fund” for downlake (non federal) PME’s. ($225,000/year for 50 year license period)

- We are also requesting that the “Local Endowment Fund” be designed and managed with local involvement so that the PUD allocation can be supplemented with interest earnings, public & private contributions, grants, etc. for maximized long range public benefit.