

Forest Service RACA No.	0617-21-FE-2145060
Chelan PUD Agreement No.	SA #20-11243

PAYMENTARRANGEMENT

BETWEEN

**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY
AND
U.S.D.A. FOREST SERVICE
OKANOGAN-WENATCHEE NATIONAL FOREST**

FOR

**IMPLEMENTATION OF THE ROCKY REACH WILDLIFE HABITAT MEASURES
AT THE CHELAN WILDLIFE AREA**

THIS PAYMENT ARRANGEMENT is made by and between Public Utility District No. 1 of Chelan County (Chelan PUD) and the USDA Forest Service, Okanogan-Wenatchee National Forest, Entiat Ranger District (U.S. Forest Service), and sometimes collectively referred to as the “Parties,” under the provisions of RCW Chapter 39.34 (for Chelan PUD).

The Rocky Reach Hydroelectric Project No. 2145 (Project) is also managed under the Federal Power Act of June 5, 1920 (P.L. 66-280, 41 Stat. 1063, as amended) and the Federal Land Policy and Management Act of October 21, 1976 (P.L. 94-579).

The Rocky Reach Settlement Agreement dated February 3, 2006, for the Rocky Reach Hydroelectric Project No. 2145 (Settlement Agreement) is incorporated herein by reference. This Payment Arrangement (Arrangement) has been executed pursuant to, and is to be used in conjunction with, the Settlement Agreement. In the event of a conflict between this Arrangement and the Settlement Agreement, the provisions of the Settlement Agreement shall control.

TITLE: 2021-2025 Rocky Reach Wildlife Habitat Management Plan Implementation

Recitals

- A. Chelan PUD is a municipal corporation incorporated under the laws of the State of Washington. The U.S. Forest Service is incorporated under the federal laws of United States of America.
- B. The Federal Energy Regulatory Commission (FERC) issued the Order on Offer of Settlement and Issuing New License (New License Order) and the Order on Rehearing and Clarification, issued February 19, 2009 and May 21, 2009, respectively, for the Rocky Reach Hydroelectric Project No. 2145. The Settlement Agreement and its Attachments are incorporated by reference.

License Article 403 and Settlement Agreement Article 7 require Chelan PUD to assist the U. S. Forest Service with protecting and enhancing wildlife habitat within the Rocky Reach Wildlife Area (RRWA). License Article 403 required Chelan PUD to prepare its first 5-year Wildlife Habitat Management Plan (WHMP) for FERC approval. Further, License Article 403 required the plan be updated in coordination with the Rocky Reach Wildlife Forum and filed for Commission approval at a minimum of every 5 years. The updated plan is to provide a summary of habitat improvement measures proposed for the next 5 years. The first 5-year WHMP (2010-2015) was approved by FERC on September 22, 2010.

On September 17, 2015, Chelan PUD filed for FERC's approval for the second 5-year WHMP (2016-2020). FERC issued the Order approving the WHMP on December 1, 2015. Subsequently, on December 2, 2015, Chelan PUD filed with FERC amended Pages 20, 24, 25, 31 and 32 to correct minimal errors, which did not affect the work planned as described in the approved plan.

On August 30, 2020, Chelan PUD filed for FERC's approval the third 5-year WHMP (2021-2025) (the "current WHMP"). FERC issued the Order approving the WHMP on June 9, 2021.

- C. The Parties have determined that it is in their mutual best interests and to their mutual benefit to cooperatively implement the wildlife habitat measures on National Forest System (NFS) lands required in the New License Order and Settlement Agreement. Ultimately, the U.S. Forest Service is responsible for any land management action on NFS lands. Chelan PUD's role is to assist the U.S. Forest Service with its goal to improve mule deer and bighorn sheep winter range within the RRWA- Entiat North (FS RU-1) and Entiat South (FS RU-2) Resource Units (Exhibit A), by such actions as: planting bitterbrush and sagebrush in areas impacted by wildfire, thinning, pruning and prescribed fire to rejuvenate plant communities, managing noxious weeds and cheatgrass and other wildlife or habitat improvements as described in the current WHMP or modifications thereof. Chelan PUD shall have no responsibility for the success of the treatments to be carried out by the U.S. Forest Service.

NOW, THEREFORE, in consideration of the premises and promises, terms and conditions set forth below, it is hereby agreed as follows:

1. **PURPOSE**. The purpose of this Arrangement is to set forth the terms and conditions under which Chelan PUD and the U.S. Forest Service will cooperatively implement the wildlife habitat measures described in Recital B above. All of the work performed under this Arrangement will be conducted on NFS lands.
2. **PROJECTS TO BE COMPLETED**. The specific objective of this Arrangement is to implement the wildlife habitat measures in 2021-2025, as follows:
 - a. The U.S. Forest Service will perform all actions necessary to permit and complete the implementation of wildlife habitat measures on NFS lands within the RRWA as described in Section 4.3 of the current WHMP.
 - b. In accordance with the Rocky Reach Settlement Agreement, Attachment B, Section 4.2.3 of Chapter 7, "Chelan PUD shall make available annually to the USDA Forest

Service \$5,000, and an additional amount of up to \$5,000 on a 50/50 matching basis, for the term of the New License and any subsequent annual licenses, to restore, maintain, or improve USDA Forest Service administered lands within the Rocky Reach Wildlife Area.”

- c. The projects to be implemented under the current WHMP by the U.S. Forest Service are described in Section 4.3 of the current WHMP and will not exceed a 2021 real dollar value of **\$ 90,374**, or as amended in writing by both Parties. Per the Settlement Agreement, Chelan PUD will make available annually to the USDA Forest Service \$5,000 (direct account RR07d1) and an additional amount of up to \$5,000 on a 50/50 matching basis (matching account, RR07d2) to restore or improve wildlife habitat on USDA Forest Service administered lands within the Rocky Reach Wildlife Area, as defined in the Settlement Agreement. Funding for future years (2022-2025) in this Arrangement include estimated inflation per Section 18.1 of the Settlement Agreement.
 - 1) Projects under RR07d1 (see Exhibit B) to be implemented under the current WHMP by the U.S. Forest Service may not exceed a 2021 real dollar value of **\$90,374**, or as amended in writing by both Parties. This is the total dollar limit for projects under RR07d1 for the current WHMP.
 - 2) No reimbursement (\$0) for funds under the RR07d2 (matching funds) in the Settlement Agreement are planned for the current WHMP (see Exhibit B).
3. DURATION AND TERMINATION OF ARRANGEMENT this Arrangement shall be effective upon execution by both Parties and, except for purposes of billing and payment, shall terminate on December 31, 2025. Work described in Section 2 performed by U.S. Forest Service between January 1, 2021 and the termination of this Arrangement shall be subject to the terms of this Arrangement.

Either party, in writing, may unilaterally terminate the Arrangement in whole, or in part, without cause by providing **180 days** prior written notice of termination to the other Party, at any time before the date of expiration. No party shall incur any new obligations for the terminated portion of the Arrangement after the effective date and shall cancel as many obligations as possible. Full credit shall be allowed for each Party’s expenses and all non-cancelable obligations properly incurred up to the effective date of termination. All obligations outstanding as of the date of the termination shall be fulfilled.
4. ANNUAL PLANNING AND ESTIMATING REPORTS. As a condition of payment for any work performed under Section 18.3 of the Settlement Agreement, the U.S. Forest Service shall submit to Chelan PUD an annual planning report by January 31 of each year during the term of the New License and any subsequent annual licenses. However, the Parties have agreed that as a condition of payment or reimbursement of any work performed under the Settlement Agreement, the U.S. Forest Service shall submit to Chelan PUD the annual planning report on or before October 1 (beginning of federal fiscal year) of each year during the term of this Arrangement to allow for project planning and budgeting purposes. The reports shall document the following for each wildlife improvement measure under Section 4 of the current approved plan:

Preceding Year (October-September):
Detailed description of all work completed
Actual costs incurred in completing this work

Current Year: (October-September):
Detailed description of the work to be undertaken
Detailed estimate of costs of work to be undertaken

Out-Year(s):
Description of proposed work in the out-years for the current WHMP
Projected costs of proposed work for remaining years of the current WHMP

5. DOCUMENTATION AND CERTIFICATION OF WORK COMPLETED. As a condition of payment for any work performed under the Section 18 of the Settlement Agreement, on a calendar quarterly basis the U.S. Forest Service shall provide Chelan PUD with an Invoice/Variance form (see Exhibit C) describing the work completed under the approved current WHMP no later than 30 days after each calendar quarter (April 30, July 30, October 30, January 30). The Invoice/Variance form will be used to summarize work completed in the quarter, plans for the subsequent quarter, any variances from the plan, and all requested reimbursements. Each form must be signed by the U.S. Forest Service to certify the amount and cost of the work completed, and that such work was performed in a manner consistent with the Settlement Agreement. The U.S. Forest Service must support requested reimbursements with copies of invoices and payroll charges. Chelan PUD reserves the right to verify the certification by on-site inspection of all work and validation of the charges. The Chelan PUD Project Manager and/or Licensing & Compliance Manager, and/or their representative, shall accomplish this inspection and/or validation. In a given U.S. Forest Service fiscal year (October 1st to September 30th), payments for satisfactory performance of work shall not exceed the annual budgeted amount, unless the Parties mutually agree to a higher amount prior to the commencement of any work which will cause the annual budgeted payment to be exceeded.
6. INVOICES (REIMBURSEMENT). All costs, balances, or payment amounts shall be made in accordance with Section 18 of the Settlement Agreement and made on a reimbursable basis for actual costs incurred by the U.S. Forest Service.

The U.S. Forest Service will bill Chelan PUD on a calendar **quarterly** basis for funds sufficient to cover the actual costs incurred during the specific payment period. Provided that an invoice is not disputed by Chelan PUD, the collection due date of thirty (30) days begins after the delivery of the required supporting documentation and validation by the U.S. Forest Service project manager (per Debt Collection Act of 1982, as amended). Since billings for this Arrangement require special supporting documentation, as specified in Section 6, a grace period will be in effect in which the payment will not be considered late, nor applicable late charges applied, until 30 days after the required documentation is submitted to Chelan PUD by the local U.S. Forest Service Project Contact.

All reimbursement billings shall be completed within the same calendar year (January through December) as U.S. Forest Service expenditures. Final invoices for each calendar year shall be delivered to Chelan PUD no later than April 1, 2026.

Billings shall be sent to the Chelan PUD Administrative Contact identified in Provision 9.

Payments shall be sent to the “remit to” address on the Bills for Collection.

If payment is not received to the satisfaction of the U.S. Forest Service by the date specified on the Form FS-6500-89, Bill for Collection, and pursuant to the above provision, the U.S. Forest Service shall exercise its rights regarding the collection of debts owed the United States.

7. **U.S.FOREST SERVICE LIABILITY.** The United States, acting by and through the U.S. Forest Service, hereby agrees to bear any and all costs and liabilities of any kind related to the exercise of its rights under this Arrangement to the extent it may legally do so under the Federal Tort Claims Act, 28 U.S.C. Sect. 2671 et seq., or any other act wherein Congress has specifically waived the sovereign immunity of the United States.

The U.S. Forest Service shall not be liable to Chelan PUD or third parties for any damages incident to the performance of this Arrangement to the extent such liability is not allowed by law.

8. **DISPUTE RESOLUTION.** Disputes arising out of the interpretation or implementation of this Arrangement including but not limited to disagreements regarding documentation or related matters, shall be resolved using the dispute resolution process provided for in Section 17 of the Settlement Agreement (incorporated herein by reference).
9. **PRINCIPAL CONTACTS.** Individuals listed below are authorized to act in their respective areas for matters related to this Arrangement

Chelan PUD Program Contact	Chelan PUD Administrative Contact
Von Pope, Chelan PUD 327 N. Wenatchee Avenue Wenatchee, WA 98801 Telephone: 509-661-4625 FAX: 509-661-8108 Email: von.pope@chelanpud.org	Amy Skoglun 327 N. Wenatchee Avenue Wenatchee, WA 98801 Telephone: 509-661-8295 FAX: 509-661-8203 Email: amy.skoglun@chelanpud.org

U.S. Forest Service Program Contact	U.S. Forest Service Administrative Contact
Ana Cerro-Timpone 2108 Entiat Way, Entiat, WA 98822 Telephone: 509-784-4630 FAX: 509-784-1150 Email: ana.v.cerro-timpone@usda.gov	Paul Willard 428 Woodin Ave Chelan WA, 98816 Telephone: 509-682-4900 Cell: 509 682-9004 Email: Paul.willard@usda.gov

10. **NOTICES.** Any communication affecting the operations covered by this Arrangement by the U.S. Forest Service or Chelan PUD will be sufficient only if in writing and delivered in person, mailed, or transmitted electronically by e-mail or fax, as follows:

To the U.S. Forest Service Program Manager, at the address specified in the Arrangement

To the Chelan PUD: Jeffrey G. Osborn
 License Compliance Specialist, Senior
 327 N Wenatchee Ave
 Wenatchee, WA 98801
 Telephone: (509) 661-4176
 Fax: (509) 661-8203
 Email: Jeff.osborn@chelanpud.org

Notices are effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

11. **FREEDOM OF INFORMATION ACT (FOIA) AND PUBLIC DISCLOSURE ACT.**

Any information furnished to the U.S. Forest Service under this Arrangement is subject to the Freedom of Information Act (5 U.S.C. 552). Any information furnished to Chelan PUD under this Arrangement is subject to the Public Disclosure Act (R.C.W. 42.56).

12. **MODIFICATION.** Modifications within the scope of this Arrangement must be made by mutual consent of the Parties, by issuance of a written modification signed and dated by all properly authorized, signatory officials, prior to any changes being performed. No modification or amendment of the provisions of this Arrangement shall be effective unless in writing and signed by both Chelan PUD and the U.S. Forest Service. Requests for modification should be made, in writing and signed by both Parties, at least 30 days prior to implementation of the requested change.

13. **PROPERTY IMPROVEMENTS.** Habitat improvements that are completed or placed on NFS land under the approved current WHMP shall remain on such land, shall thereupon become property of the United States, and shall be subject to the same regulations and administration of the U.S. Forest Service as other NFS improvements of a similar nature. Habitat improvements are one-time measures and Chelan PUD will not be responsible for maintenance or upkeep of any improvement or measures for success. No part of this Arrangement shall entitle the Chelan PUD to any share or interest in the improvements

other than the right to use and enjoy the same under the existing regulations of the U.S. Forest Service

14. PURCHASE OF ASSETS. Items purchased by the U.S. Forest Service that are not completely expended on or utilized for wildlife habitat improvements described in the current WHMP shall not be purchased using Chelan PUD funds (i.e., equipment, property, vehicles, tools, or other capital items).
15. LEGAL AUTHORITY. Both Parties have the legal authority to enter into this Arrangement, and the institutional, managerial and financial capability to ensure proper planning, management, and completion of the project.
16. PARTICIPATION IN SIMILAR ACTIVITIES. This Arrangement in no way restricts the U.S. Forest Service or the Chelan PUD from participating in similar activities with other public or private agencies, organizations, and individuals.
17. ENDORSEMENT. Any payments or actions by the U.S. Forest Service made under this Arrangement do not by direct reference or implication convey the U.S. Forest Service's endorsement of the Chelan PUD's products or activities, except as expressly agreed in the Settlement Agreement.
18. DEBARMENT AND SUSPENSION. The Chelan PUD shall immediately inform the U.S. Forest Service if they or any of their principals are presently excluded, debarred, or suspended from entering into covered transactions with the Federal Government according to the terms of 2 CFR Part 180. Additionally, should the Chelan PUD receive a transmittal letter or other official Federal notice of debarment or suspension, then they shall notify the U.S. Forest Service without undue delay. This applies whether the exclusion, debarment, or suspension is voluntary or involuntary.
19. GOVERNING LAW. Nothing in this Arrangement shall be construed as limiting or expanding the statutory or regulatory responsibility of either Party in performing functions granted to them by law. This Agreement shall be governed by the laws of the State of Washington.
20. ENTIRE ARRANGEMENT This Arrangement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements or arrangements between the Parties with respect thereto.
21. FILING. Chelan PUD shall, in compliance with RCW 39.34, upon execution of this Arrangement post an electronic copy of the Arrangement on their Website at the following address: www.chelanpud.org.

22. AUTHORIZED REPRESENTATIVES. Both Parties certify that the individuals listed in this document as their representatives are authorized to act in their respective areas for matters related to this Agreement.

The two parties have executed this Arrangement as of the last date written below.

Adopted: 10/1/2021 | 10:55 AM PDT
Date

Public Utility District No. 1 of Chelan County

By: Michelle Smith
MICHELLE SMITH
Director – Hydro Licensing

Adopted: 10/1/2021 | 7:25 AM PDT
Date

U.S.D.A. Forest Service

By: Ana Cerro
ANA CERRO- TIMPONE
Wildlife Biologist
Okanogan-Wenatchee National Forest

EXHIBIT A

EXHIBIT A

USFS approved measures in the Rocky Reach Wildlife Habitat Management Plan (2021-2025).

4.3 U.S. Forest Service Habitat Improvements

The USFS lands within the RRWA are separated into two Resource Units (RU): Entiat North (FS RU-1) and Entiat South (FS RU-2). Entiat North encompasses all USFS lands north of the town of Entiat to Wells Dam and contains the following significant land features: Bigelow Canyon, Navarre Coulee, Oklahoma Gulch, Byrd Canyon, McKinstry Canyon, Byers Canyon, Osburn Canyon, Crum Canyon, and McArthur Canyon (Figure **Error! No text of specified style in document.-1**). Entiat South contains Burch Mountain, Swakane Canyon, Tenas George Canyon, and Spencer Canyon (Figure **Error! No text of specified style in document.-2**).

There are approximately 17,310 acres of Forest Service lands in the RRWA. The type of wildlife habitat generally found on these USFS-owned lands is primarily the shrub-steppe ecological community with some areas hosting ponderosa pine and Douglas fir, particularly on north slopes and at higher elevations. A majority of these lands are within the land management allocation EW-1: Key Big Game Habitat (USFS 1990). Thus, a majority of actions on USFS land will focus on winter range optimization for big game species, primarily mule deer (*Odocoileus hemionus*) and bighorn sheep (*Ovis canadensis*).

Wildfires in the RRWA have played a significant role in the current wildlife habitat quantity and quality available. Fires have burned approximately 78% (13,570 acres) of USFS lands in the RRWA since 2010. Fires in the last decade include Rocky Reach (2018), Black Canyon (2015), Mills Canyon (2014), Byrd Canyon (2012), and Swakane Canyon (2010) fires. Due to the significant role of wildfire on the landscape, wildlife habitat improvements that accelerate recovery and reduce the risk to remaining vegetation will provide the greatest benefit. The USFS seeks to protect and enhance wildlife habitat through a combination of planting, road closures, barbed-wire fence removal, thinning/pruning, invasive species management, and/or prescribed fire.

4.3.1 Mule Deer and Big Horn Sheep Key Winter Range Improvements

The USFS intent is to improve mule deer and big horn sheep winter range within FS RU-1 and FS RU-2 through a combination of plantings, fence removal, thinning/pruning, and/or prescribed fire. There are approximately 9,000 acres of forested and non-forested stands (non-contiguous) in these areas that would benefit from treatment, mostly due to effects of recent wildfires (Black Canyon Fire 2015, Mills Canyon Fire 2014, Byrd Fire 2012, Swakane Fire 2010, and others). Planting would likely occur in FS RU-2 (Rocky Reach, Mills, and Swakane fire scars) and FS RU-1 (Black Canyon and Byrd Canyon). Thinning/Pruning would likely occur in FS RU-1 (Crum Canyon) and FS RU-2 (Tenas Gorge and Mills Canyon). Prescribed fire could occur in all USFS lands within the RRWA to mitigate fuels issues and fight back cheat grass (*Bromus tectorum*). Barbed wire may be removed within FS RU-1 (Crum Canyon, Osburn Canyon, Byers Canyon, McKinstry Canyon, Byrd Canyon, Oklahoma Gulch, Navarre Coulee, and Bigelow Canyon). Derelict barbed wire fencing on USFS lands poses an injury/entanglement hazard for wildlife.

EXHIBIT A

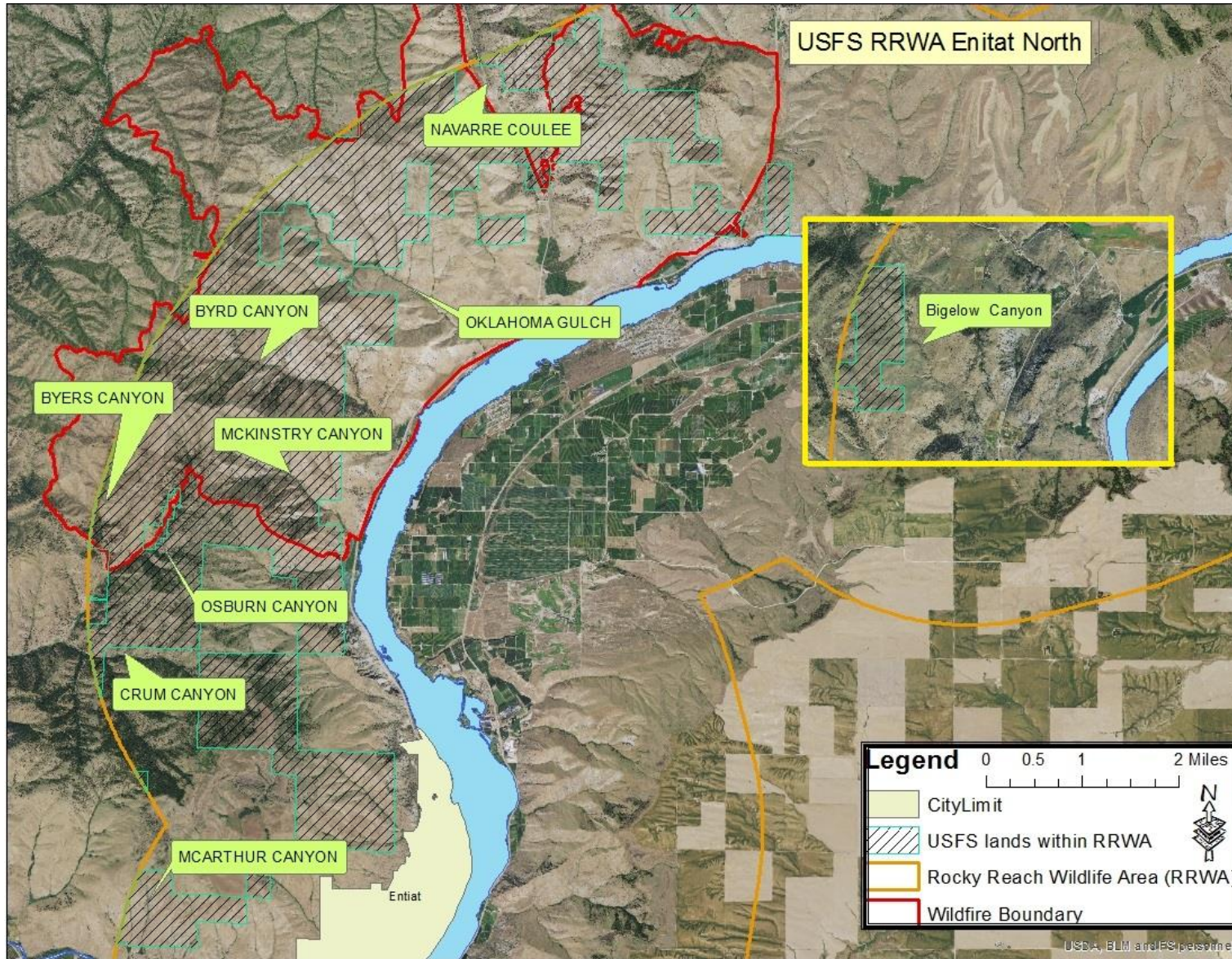


Figure Error! No text of specified style in document.-1: U.S. Forest Service Entiat Ranger District North (FS RU-1) containing areas of proposed habitat enhancement (2021-2025), including Bigelow Canyon near on the Chelan Ranger District near Wells Dam.

EXHIBIT A

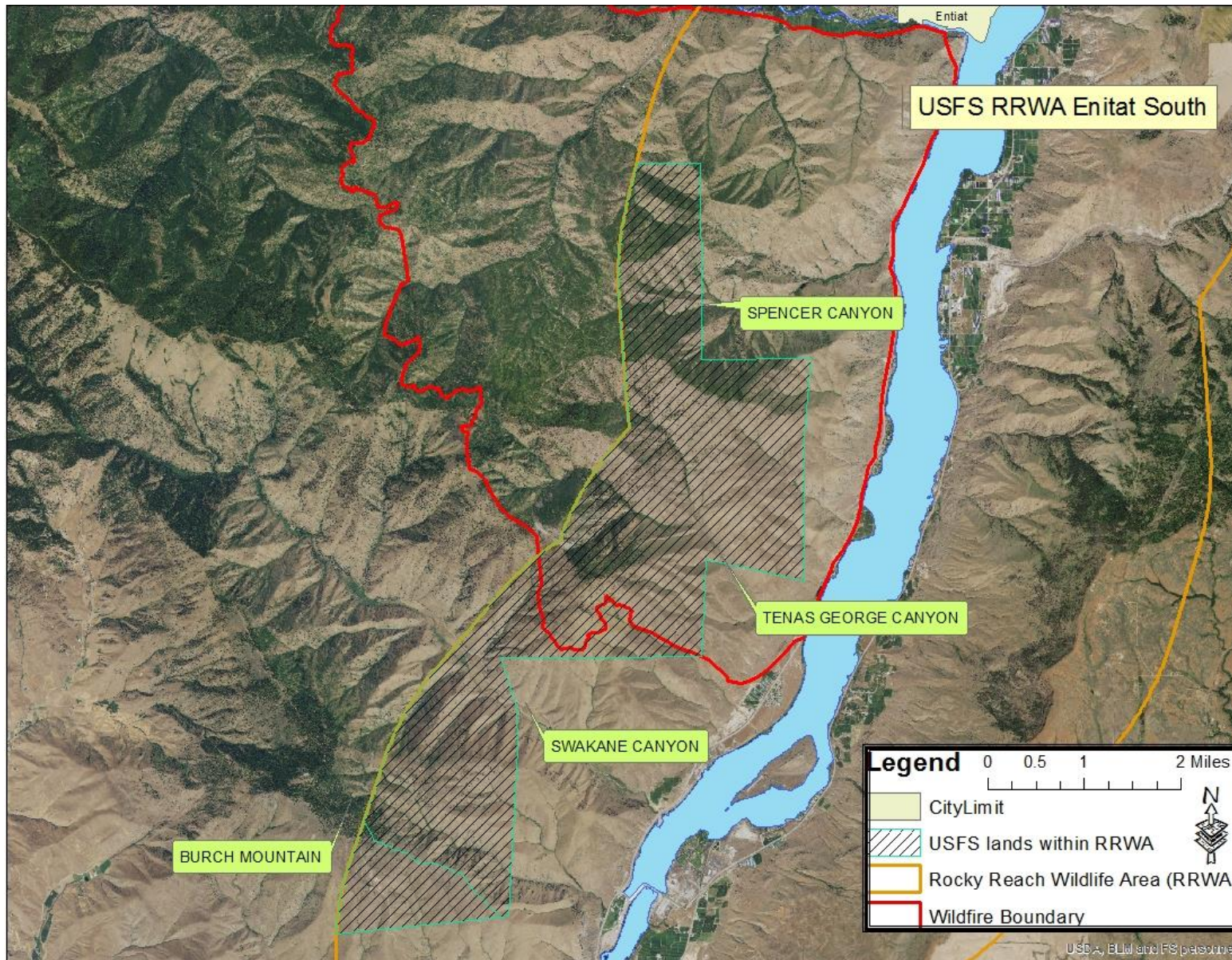


EXHIBIT A

Figure Error! No text of specified style in document.-2: U.S. Forest Service Entiat Ranger District South (FS RU-2) including areas of proposed habitat improvement Projects, 2021-2025.

4.3.2 Planting

The USFS proposes to plant native tree and shrub species in areas where natural regeneration is absent post-fire or where natural regeneration requires supplementation in any fire scars from fires within the last decade (Rocky Reach, Black Canyon, Mills Canyon, Byrd Canyon, and Swakane Canyon). Since much of the area is considered key winter range for mule deer, the USFS will seek to plant tree species to provide cover and shrubs to provide forage. This also includes newly burned areas as a result from future fires.

The USFS will also plant native species on approximately 17 acres in a riparian area in the Crum Canyon in FS RU-1. There is a need to repair this riparian area by treating invasive species and subsequently planting native riparian species.

4.3.3 Thinning/Pruning

In the few areas where mature forest cover is present in the RRWA, the USFS proposes treatments to thin around existing trees and prune trees to reduce ladder fuels. Treatment areas include the Crum, Texas Gorge, and Mills Canyons areas. These actions would help reduce wildfire severity to existing forest stands. The USFS also proposes to thin in regeneration stands that are overstocked, primarily in the Swakane, Texas Gorge, Mills, and Spencer Canyon areas. Thinning these young, overstocked stands would accelerate tree growth and reduce fuel loading.

4.3.4 Prescribed Fire

In some areas within the RRWA, low intensity prescribed burning would reduce surface fuels and stimulate the understory. Areas where prescribed burning is likely to occur would be in the Crum, Mills, Swakane, Texas Gorge, McKinstry, and Spencer canyons, or Oklahoma Gulch.

4.3.5 Barbed Wire Removal

Historically used barbed wire fencing from past range allotments still occurs in the area and needs to be removed. Annually removing 1-2 miles of fence will reduce or eliminate fence related injury and/or mortality of wildlife and humans alike. Removing decadent barbed wire will increase wildlife species winter survival by minimizing energy use during critical seasons (e.g., jumping over/through or crawling under fences), since movement on winter ranges is typically reduced in winter months to conserve fat reserves.

4.3.6 Weed Control

Noxious weed management is an ongoing effort by the USFS. Weed control is an essential mitigation to prescribed fire and enhances desired forage production. Weed control treatments on winter range would benefit mule deer and bighorn sheep, as well as carnivores dependent on these ungulates, and other species dependent on shrub steppe and grassland habitats. All USFS lands within the RRWA are in need of weed treatments as cheat grass exists throughout the project area and many roads currently have infestations of noxious weeds. With this additional funding, the USFS can expand the currently covered terrain. Weed treatments would likely be associated with larger proposed habitat improvement projects (i.e., planting, prescribed fire, and thinning efforts).

4.3.6.1 Cheat Grass Control/Eradication

In large patches of continuous cheat grass, the USFS proposes to prescribe a spring-controlled burn prior to cheat grass seed set and then seed the burned areas with native grasses and shrubs

that following fall. This would be a multi-year effort to convert acres from cheat grass back to native grasses and shrubs. Areas to be considered for treatment include Crum, Mills, Swakane Tenas George, McKinstry and Spencer canyons, and/or Oklahoma Gulch.

4.3.6.2 Cheat Grass Bacteria

A bacterium is in development that has early promising results for controlling cheat grass. However, the bacterium is not currently approved for use on USFS lands. If the bacterial treatment gets approval in the coming years, the USFS may conduct some trials within the RRWA and request reimbursement from Chelan PUD for improving wildlife habitat within the RRWA.

4.3.7 Ungulate Water Supplementation

Ungulate mortality resulting from motor vehicle collisions is an ongoing issue on Washington State Highway 97A adjacent to Rocky Reach Reservoir, especially in the winter and early spring. During the winter months, bighorn sheep and mule deer are repeatedly observed licking the road surface after application of de-icer on the roadway. There may be some element of the de-icer that is appealing to ungulates out of necessity, i.e., fulfilling a mineral deficiency in their diet, or they may simply like it. The USFS proposes to deploy a mineral supplement for wild ungulates using water-soluble products. The supplements contain “attractive” elements of de-icer, while providing the minerals beneficial to ungulate nutrition. The mineral supplements could occur in all suitable structures in both USFS RU-1 and FS RU-2. Structures would be assessed in early spring to determine suitability. The supplements will be deployed in suitable artificial water chances (e.g., guzzlers, developed springs) within the winter range in the RRWA to decrease the need for animals to go down to the highway.

4.3.8 Road Closures

Closing roads permanently and/or seasonally to vehicular traffic reduces disturbance to all wildlife species, weed propagation, and increased sedimentation. There are many roads in USFS RU-1 and FS RU-2 that are illegal roads on USFS property. These roads could be gated or closed permanently. There are also some roads that could be closed seasonally in winter months to protect big game species during their most vulnerable time of the year. Gates would be put at strategic locations and closed seasonally. Furthermore, through a project level transportation analysis, more roads could be identified on the landscape for closure and/or decommissioning. Closing roads not only provides secure habitat for big game but can also reduce sedimentation in some instances into the few water sources in the area and may help reduce the spread of noxious weeds. Chelan PUD would reimburse the USFS for the purchase and installation of gates only, not gate management or maintenance.

EXHIBIT B – Financial Plan for the 2021-2022 Rocky Reach Wildlife Habitat Management Plan
 For
 Chelan PUD Wildlife Habitat Funds 2021-2022 Prepared July 7 ,2021

Settlement Agreement Article	Funding Spent to Date	Initial Balance (July 7, 2021)	Annual Chelan PUD Contributions ^a					Available 5-year Balance*
			2021 ^b	2022	2023	2024	2025	
RR07d1	\$ 11,844	\$64,791	\$6,010	\$6,161	\$6,315	\$6,473	\$6,634	\$ 90,374
RR07d2	\$ 104,066	(\$31,614)	\$6,010	\$6,161	\$6,315	\$6,473	\$6,634	\$ (6,031)
Total CPUD Contribution			\$12,020	\$12,322	\$12,630	\$12,946	\$13,268	

Annual amounts for 2022-2025 are estimates per Section 18.1 of the Settlement Agreement (i.e., contributions in subsequent years are inflated for approximate CPI adjustments).

^a 2021 contribution is included in the Initial Balance

* This table represents the best estimate of project costs as of the execution date of this Arrangement USFS will not assess indirect costs due to the existence of mutual benefit (waiver determination by R6 Regional Forester)..

EXHIBIT C

**Quarterly Invoice / Variance Form
Rocky Reach Implementation Projects**



CHELAN COUNTY

Date: _____

**License Article and
Measure Description:
CCPUD Maximo #:
Agency Name:
Agency Project #:
Submitted by:
Phone:**

Report for: 1st 2nd 3rd 4th Quarter of Calendar Year: _____

Description of Project Work/Progress for this Quarter (include Task Number):

Reimbursement Total Requested for the Quarter:

- No expenditures/request for reimbursement this quarter.
- Administrative charges only.

Project Work Plans and Total Estimated Expenditures for the next quarter (include Task Description):

Variances from Plan (if any, describe when work will be conducted, by Task description):

The costs and scope of work described herein are true, accurate, and in compliance with the Rocky Reach Settlement Agreement:

Agency Signatory _____

Reviewed and Approved By:

CCPUD Signatory _____