

PAYMENT ARRANGEMENT

Between

Public Utility District No. 1 of Chelan County

And

U.S. Forest Service

For

**Lake Chelan Settlement Agreement License Articles 11(a), 11(b) and 11(c)
Year 2023**

This payment arrangement (Arrangement) is entered into between Public Utility District No. 1 of Chelan County, Washington (Chelan PUD) and the U.S.D.A. Forest Service (Forest Service), effective on the day it is fully executed by both parties hereto.

On October 8, 2003, a settlement agreement (Settlement Agreement) was reached between Chelan PUD, Forest Service, U.S. Department of Interior, National Park Service (Park Service), NOAA National Marine fisheries Service (NMFS), U.S. Fish and Wildlife Service (FWS), Washington Department of Fish and Wildlife (WDFW), Washington Department of Ecology (Ecology), the Confederated Tribes of the Colville Reservation (Colville Tribes), American Whitewater, and the City of Chelan. On November 6, 2006, the Federal Energy Regulatory Commission (FERC) issued an Order Issuing New License, 117 FERC ¶ 62,129 (2006) (License) which incorporated certain articles from the Settlement Agreement.

The Settlement Agreement and Appendix A to the License require Chelan PUD to make funds available to the Forest Service for certain purposes. Section 19 of the Settlement Agreement requires Chelan PUD to enter into a payment agreement that provides for the method of payment, documentation of the amount and cost of work, certification that such work was performed in a manner consistent with the Settlement Agreement, provisions for addressing liability, a process for handling disputes regarding documentation, payment or related matters, and the submission of annual planning reports.

NOW, THEREFORE, the parties hereto agree as follows:

Purpose. This Arrangement governs payment by Chelan PUD to the Forest Service under Articles 11(a), 11(b) and 11(c) of Appendix A, Lake Chelan Settlement Agreement License Articles, of the License for work performed in 2023 and within the scope of the 2023 Work Plan, attached as Exhibit A hereto. A summary of financial tracking of the license articles is attached for informational purposes as Exhibit B hereto.

Payments. Payments will be made via quarterly reimbursement. In no event will total payments under this year 2023 Arrangement exceed **\$127,750**. The Forest Service will invoice Chelan PUD on a quarterly basis by documenting the nature, amount, and cost of work performed on “Quarterly Invoice/Variance Forms” provided by Chelan PUD. The Forest Service must submit the final invoice to Chelan PUD by January 31, 2024.

Annual Planning Report. The Forest Service must submit an annual planning report to Chelan PUD by December 1, 2023 that contains a detailed description of the work to be undertaken in the

Chelan MFA arrangement RECREATION 2023 draft Article 11 122822

following year (2024) and a general description of the work to be undertaken in 2025, and the then estimated costs of such future work.

Liability. The United States, acting by and through the Forest Service, will bear any and all costs and liabilities of any kind related to the exercise of its rights under this agreement to the extent it may legally do so under the Federal Tort Claims Act, 28 USC §§ 2671 *et seq.*, or any other act wherein Congress has specifically waived the sovereign immunity of the United States.

Disputes. Disputes arising out of the interpretation or implementation of this agreement will be resolved using the dispute resolution process pursuant to Section 16 of the Settlement Agreement.

Property Improvements. Improvements described in Exhibit A, if any, that are placed on Forest Service land shall remain on such land, shall thereupon become property of the United States, subject to other requirements and limitations of the Federal Power Act, (16 U.S.C. 791 *et seq.*), and shall be subject to the same regulations and administration of the Forest Service as other Forest Service improvements of a similar nature. 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 Forest Service, or make Chelan PUD responsible for maintenance or upkeep of said improvements.

Purchase of Assets. Items purchased by the Forest Service that are not completely expended on or utilized for work identified in Exhibit A are not reimbursable under this arrangement (i.e., equipment, property, vehicles, tools, or other capital items).

Term of Agreement: The funding authorized by this Arrangement is for work conducted in calendar year 2023, i.e., January 1, 2023, through December 31, 2023. This Arrangement terminates on December 31, 2023, except obligations accruing prior to termination, including closeout billing and payment, which shall survive termination hereof until satisfied in full.

Contact Information

Chelan PUD Principal Contact

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All bills should also be submitted to: paul.willard@usda.gov and jeff.osborn@chelanpud.org

Chelan PUD Project Lead

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Forest Service Project Lead

Paul Willard
Recreation, Trails, Wilderness, Special Uses, &
Roads Forest Service
Okanogan-Wenatchee National Forest, Chelan Ranger
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Signatures:

PUBLIC UTILITY DISTRICT NO. 1
OF CHELAN COUNTY
(Chelan PUD)

U.S. FOREST SERVICE
(FOREST SERVICE)

By: Justin Erickson

By: Paul Willard, Project Lead

Title: Managing Director, District Services

Title: Recreation Program Manager

Date: 3/30/2023

Date: 3/30/2023

EXHIBIT A: 2023 WORK PLAN

LC11a2 – Dock Maintenance Activities:

- Refrigerator Harbor Ramp Repair - \$10,000
- Lead Boat Operator Salary for annual dock maintenance activities - \$10,000
- Assistant Boat Operator Salary for annual dock maintenance activities - \$7,500
- Refurbish Corral Creek and Domke Docks - \$40,000
- Trail Crew Salary for labor to support dock maintenance - \$5,000
- Miscellaneous materials and supplies for dock maintenance - \$15,000
- **Total Estimated CY21 Cost: \$87,750**

LC11c1 – Recreation Enhancement Activities:

- Purchase additional animal proof food storage containers/trash receptacles for uplake recreation sites - \$10,000
- **Total Estimated CY21 Cost: \$10,000**

LC11c2 – Annual Recreation Enhancement Activities:

- Assistant Boat Operator Salary for annual campground O/M May - Oct - \$10,000
- Septic Pumping for Lakeside Campground Toilets and/or sanican rental/service- \$20,000
- **Total Estimated CY21 Cost: \$30,000**

EXHIBIT B: FINANCIAL TRACKING**Lake Chelan Settlement Agreement: Financial Tracking of License Articles, USFS Article 11 (Active)**

Processed through November 28, 2022

ShortNm	Payment Frequency	Long Nm	Agency	Proposed for CY23 (12/2/2022)	Funding Spent to Date	Available Balance Start of Year	Inflation Adjusted \$ (for given year)		
							2023	2024	2025
LC11a1	Lump	USFS Docks Capital	USFS		\$105,822	\$932,561			
LC11a2	Annual	USFS Docks: Dock Maintenance	USFS	\$87,750	\$398,686	\$502,120	\$58,743	\$60,211	\$61,717
LC11b1	Lump	USFS Dock In-Kind Engr. USFS Rec. Enhancement	USFS		\$14,921	\$131,858			
LC11c1	Lump	Yr. 1 – 30 Rec Enhancements	USFS	\$10,000	\$285,417	\$1,142,701			
LC11c2	Annual	USFS Annual Rec. Enhancement	USFS	\$30,000	\$125,666	\$13,711	\$9,037	\$9,263	\$9,495
		Total		\$127,750					