

Chelan PUD Service Agreement No. 20-11236

INTERLOCAL AGREEMENT

BETWEEN

**PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY
AND
WASHINGTON DEPARTMENT OF FISH & WILDLIFE (WDFW)**

FOR

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

THIS AGREEMENT is made by and between Public Utility District No. 1 of Chelan County (**Chelan PUD**) and the Washington Department of Fish and Wildlife (**WDFW**), and sometimes collectively referred to as the "Parties."

The Rocky Reach Hydroelectric Project No. 2145 (Project) is 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 Interlocal Agreement (Agreement) has been executed pursuant to, and is to be used in conjunction with, the Settlement Agreement. In the event of a conflict between this Agreement and the Settlement Agreement, the provisions of the Settlement Agreement shall control.

Recitals

- A. Chelan PUD is a municipal corporation incorporated under the laws of the State of Washington. The WDFW is Washington State agency created under the laws of the State of Washington.
- B. The Federal Energy Regulatory Commission (FERC or Commission) 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 as reference.

License Article 403 and Settlement Agreement Articles 7a and 7b require Chelan PUD to assist WDFW with protecting and enhancing wildlife habitat within the Rocky Reach Wildlife Area (RRWA), which includes portions of the Swakane, Entiat and Chelan Butte Wildlife Management Units that are immediately adjacent to the Project reservoir and owned and operated by WDFW. License Article 403 requires Chelan PUD to prepare 5-year Wildlife Habitat Management Plans (WHMPs) for FERC approval. Further, Article 403 requires the plans be updated in coordination with the Rocky Reach Wildlife Forum and filed for Commission

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approval at a minimum of every 5 years. The updated plans are to provide a summary of habitat improvement measures implemented during the first 5 years and 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 of 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 of the third 5-year WHMP (2021-2025). 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 WDFW lands required in the New License Order and Settlement Agreement. Ultimately, the WDFW is responsible for land management action on state lands. Chelan PUD's role is to assist WDFW with its goal to convert approximately 1,000 acres of abandoned agricultural fields within the Chelan Butte and Swakane Wildlife Units to self-sustaining shrub-steppe habitat through one-time treatments or a progression of one-time treatments. In addition, other wildlife habitat improvement measures, which are also one-time treatments, will be implemented on the Chelan Butte, Swakane, and Entiat Wildlife Units within the RRWA. Chelan PUD shall have no responsibility for the success of the treatments to be carried out by the WDFW.

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 Agreement is to set forth the terms and conditions under which Chelan PUD and the WDFW will cooperatively implement the wildlife habitat measures described in Section 4.1 of the current approved WHMP (Attachment A). All of the work performed under this agreement will be conducted on state lands within the RRWA.
2. Projects to be Completed. The specific objective of this Agreement is to implement the wildlife habitat measures in 2021-2025 as follows:
 - a. WDFW will perform all actions necessary to permit and complete the restoration of abandoned agricultural fields to native wildlife habitat on WDFW-owned lands and implement additional wildlife habitat improvement measures within the RRWA as described in Section 4.1, of the current WHMP (see Attachment A).
 - b. Chelan PUD shall make payment for such work as described in this Agreement. The projects to be implemented by WDFW will not exceed a

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2021 real dollar value of \$314,000 for years 2021-2025 as further specified in Attachment B, or as amended in writing by both Parties. This is a total dollar limit for the entire five-year plan.

3. Duration and Termination of Agreement. This Agreement 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 WDFW on and after July 1, 2021, and prior to the termination of this Agreement shall be subject to the terms of this Agreement.

Either Party, in writing, may unilaterally terminate the agreement 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 agreement 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, WDFW 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 WDFW shall submit to Chelan PUD the annual planning report June 1 of each year during the term of the New License and any subsequent annual licenses to allow for better planning and efficiency. The reports shall document, by measure and task, the following:

Preceding Year (July - June):

Detailed description of all work completed

Actual costs incurred in completing this work

Current Year: (July – June):

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 of this Agreement

Projected costs of proposed work

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 monthly basis WDFW shall provide Chelan PUD with an Invoice/Variance form for each measure that was anticipated to have costs charged against it no later than 60 days after each calendar month. The Invoice/Variance form (see Attachment C) will be used to summarize work completed in the month, plans for the subsequent month, any variances from the plan, and all requested

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reimbursements. Each form must be signed by WDFW to certify the amount and cost of the work completed, and that such work was performed in a manner consistent with the Settlement Agreement.

WDFW shall maintain books, records, documents and other evidence which sufficiently and properly reflect all direct and indirect costs expended in the performance of the services described herein. WDFW 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. These records shall be subject to inspection, review or audit by Chelan PUD, other personnel duly authorized by Chelan PUD, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained in accordance with Washington State law, and the Office of the State Auditor, federal auditors, and any persons duly authorized by the Parties shall have full access to and the right to examine any of these materials during this period. Chelan PUD in requesting access to records shall provide reasonable notice.

Records and other documents, in any medium, furnished by one Party to this Agreement to the other Party, will become the property of both Parties, unless otherwise agreed in writing.

Payments for satisfactory performance of work shall not exceed the annual budgeted amount in Attachment B.

6. Invoices (Reimbursement). All costs, balances, or payment amounts shall be in accordance with Section 18 of the Settlement Agreement and made on a reimbursable basis for actual costs incurred by the WDFW.

The WDFW will bill Chelan PUD monthly for funds sufficient to cover the actual costs incurred during the specific payment period, which payments shall not exceed the budgeted amounts in Attachment B. In no event will Chelan PUD be obligated for any amount in excess of the budgeted amounts in Attachment B. Within sixty (60) days of receipt of an invoice, including documentation and certification of work completed, as specified in Section 5 of this Agreement, and is not disputed by Chelan PUD, Chelan PUD shall make payment to the WDFW.

All reimbursement billings shall be completed within the same calendar year (January through December) as WDFW expenditures. Final invoices for each calendar year shall be delivered to Chelan PUD no later than February 28 of the following year.

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All payments shall be sent to WDFW, as shown below:

Lynn Needham
Accounts Receivable Manager
WDFW Olympia Office
Mailstop 43160

Phone: (360) 902-2874 (office) (360) 789-3059 (cell)
Email: Lynn.Neddham@dfw.wa.gov

All invoices shall be sent to Chelan PUD, as shown below:

Becky Gallaher
Management Analyst
Chelan PUD
327 North Wenatchee Avenue
Wenatchee, Washington 98801
Direct Phone: (509) 661-4814
Email: rbecky.gallaher@chelanpud.org

No change in contacts for payments/billings shall be made either by the WDFW or Chelan PUD without written notification reasonably in advance of the proposed change.

7. Indemnification. WDFW accepts responsibility for any property damage, injury or death caused by the acts of omissions of their respective employees, contractors, and agents acting within the scope of their employment, to the fullest extent permitted by respective applicable laws.
8. Dispute Resolution. Disputes arising out of the interpretation or implementation of this Agreement, 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 agreement.

| Chelan PUD Program Contact | Chelan PUD Administrative Contact |
|--|--|
| Von Pope Senior Wildlife Biologist 327 N. Wenatchee Avenue Wenatchee, WA 98801 Phone: (509) 661-4625 Fax: (509) 661-8108 Email: von.pope@chelanpud.org | Amy Skoglun Contract Specialist I 327 N. Wenatchee Avenue Wenatchee, WA 98801 Phone: (509) 661-8295 Fax: (509) 661-8113 Email: amy.skoglun@chelanpud.org |

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| WDFW Program Contact | WDFW Administrative Contact |
|---|--|
| Ron Fox WDFW Chelan Wildlife Area Manager 3660 Chelan Highway Wenatchee, WA 98801 Phone: (509) 679-1133 office Cell: (509) 679-1133 Email: Ron.Fox@dfw.wa.gov | Lynn Needham Account Receivable Manager WDFW Olympia Office Mailstop 43160 Phone: (360) 902-2874 office Cell: (360) 789-3059 Email: Lynn.Neddham@dfw.wa.gov |

10. Notices. Any communication affecting the operations covered by this Agreement by the WDFW 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:

| WDFW Project Contact | Chelan PUD Project Contact |
|--|---|
| Brock Hoenes Director, WDFW North Central Region (Region 2) 1550 Alder Street, NW Ephrata, WA 98823 Phone: (509) 754-4624, Ext. 219 Cell: (509) 429-8990 Email: @dfw.wa.gov | Jeffrey G. Osborn License Compliance Specialist, Senior 327 N. Wenatchee Ave. Wenatchee, WA 98801 Phone: (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. Public Disclosure Act. Information furnished to the WDFW or to Chelan PUD is subject to disclosure pursuant to the Public Disclosure Act (R.C.W. 42.56).
12. Modification. Modifications within the scope of this Agreement may be made by mutual consent of the two Parties, by issuance of a written modification executed prior to any changes being performed. No modification or amendment of the provisions of this Agreement shall be effective unless in writing and signed by both Chelan PUD and the WDFW. 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. Improvements (guzzlers, feeders, nest boxes or other features that benefit wildlife such as ponds or watering basins) as described in section 2 of this Agreement that are placed on state land shall remain on state land, shall thereupon become property of the state, and shall be subject to the same regulations and administration of the state as other state improvements of a similar nature. No part of this Agreement shall make Chelan PUD responsible for maintenance or upkeep of said improvement or entitle the Chelan PUD to any

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share or interest in the improvements other than the right to use and enjoy the same under the existing regulations of the state.

14. Equipment Provided by WDFW. WDFW shall anticipate equipment (i.e., vehicles, tools, or other capital items) requirements, which conform to all Washington State safety laws, and have the necessary equipment available to perform the work in the best possible manner as required by under this agreement in coordination with the Chelan PUD Project Contact. WDFW shall provide all equipment and tools for the completion of the work. Except as provided below, all maintenance of equipment shall be WDFW's responsibility.

15. Vehicle and Equipment Charges.
 - a. WDFW-Owned Vehicles. Whenever WDFW uses its own vehicles or equipment (such as all-terrain vehicles and tractors) for work completed under this Agreement, WDFW shall charge Chelan PUD only the Washington state approved mileage, or monthly rate per vehicle or equipment classification as specified in WDFW's Vehicle Mileage Tracking System (VMTS) and DES Motor Pool System. These rates shall include all charges for the use and maintenance of such vehicles. No other vehicle charges shall be billed to the Chelan PUD. A list of current VMTS and DES vehicle & equipment rates that may be used for work completed under this agreement is shown in Attachment D. Any changes or additions of vehicles and equipment or rates shall be approved in writing by Chelan PUD.

 - b. WDFW-Owned Small Tools. The Settlement Agreement calls for payments by Chelan PUD to be on a reimbursement basis. The Parties have agreed that WDFW may need to purchase small tools or equipment to do the Work. The Parties agree that for the purpose of these types of purchases only, Chelan PUD shall pay WDFW the sum of \$1,500 per year payable in the first month of each calendar year. Chelan PUD and WDFW have agreed that this annual payment shall be adequate to reimburse WDFW for such small tools, equipment and other miscellaneous items which will be identified on the monthly Variance Form as specified in Section 5. The stipend amount shall be included on WDFW's invoice to Chelan PUD and submitted as specified in Section 6. The agreement by Chelan PUD to pay this stipend in advance does not set any precedence for any other payments due under the Settlement Agreement.

 - c. WDFW-Leased Equipment. In the case that WDFW rents or leases non-WDFW owned vehicles or heavy equipment to perform work under this Agreement, it shall charge Chelan PUD the actual rental or lease rate paid by WDFW as supported by documentation.

If the leased equipment has operation and maintenance costs beyond the actual costs of the lease or rental, Chelan PUD will reimburse WDFW for:

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- 1) The actual cost of additional liability insurance during the lease period;
 - 2) Actual fuel costs per gallon for fuel used by leased equipment. WDFW will use fuel meters to quantify the amount of fuel put into leased equipment that is to be used to complete Work under this Agreement on a monthly basis. The amount of fuel put into leased equipment will be billed monthly using the fuel price from WDFW's most recent bulk fuel purchase.
 - 3) Non-warranty maintenance costs for leased equipment used to complete Work under this Agreement.
16. Other Purchases. Items that are not completely expended on or utilized for wildlife habitat improvements described in the WHMP, shall not be purchased using Chelan PUD funds (i.e., vehicles, property or other capital items).
17. Direct Costs. Direct costs are costs that can be identified specifically to projects under this Agreement and shall be reimbursed. Direct costs may include, but not be limited to, labor, contracted services, expendable materials, or materials used for wildlife improvements (Sections 14-16). Indirect costs are only allowed to the extent addressed in Section 18 of this Agreement.
18. Indirect Costs. Indirect costs include central service costs shown in Attachment E. Items that are indirect costs shall not be billed to the Chelan PUD except as provided in the next paragraph.

Except as provided in this section or as otherwise agreed in writing, WDFW may charge indirect costs at the rate annually approved by the U.S. Department of Interior (Attachment F) and may adjust the rate accordingly upon thirty (30) days notice to Chelan PUD (see Attachment F specifying 36.28 percent for 2021). Nothing in this paragraph precludes a Party from requesting a discussion about changes to or a waiver of the overhead rate.

19. Legal Authority. Both Parties have the legal authority to enter into this Agreement, and the institutional, managerial and financial capability (including funds from the Chelan PUD sufficient to make funds available) to ensure proper planning, management, and completion of the project.
20. Participation in Similar Activities. This Agreement in no way restricts the WDFW or the Chelan PUD from participating in similar activities with other public or private agencies, organizations, and individuals.
21. Governing Law. Nothing in this Agreement 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.
22. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements or understandings between the Parties with respect thereto.

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- 23. Filing. Chelan PUD shall, in compliance with RCW 39.34, upon execution of this Agreement, post an electronic copy of the Agreement on their Web site at the following address: www.chelanpud.org.
- 24. 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.
- 25. Rights of Assignment. Furthermore, the Parties agree that the rights and obligations set forth in this Agreement shall be binding upon and inure to the benefit of the Parties successors and assigns, including specifically without limitation any successor entities or agencies.

The two Parties have executed this Agreement as of the last date written below.

Adopted: 11/22/2021 | 2:50 PM PST
Date

Public Utility District No. 1 of Chelan County

DocuSigned by:
Stephen J. Wright
By: Stephen J. Wright
General Manager

Adopted: 11/17/2021 | 12:44 PM PST
Date

Washington Department of Fish and Wildlife

DocuSigned by:
Jeff Hugdahl
By: Jeff Hugdahl
Print Name: Jeff Hugdahl
Title: Contracts Manager

Attachments:

- A – Wildlife Habitat Management Plan WDFW Section 4.1
- B – WDFW 5-year budget with annual not-to-exceed amounts.
- C – Monthly Invoice Form (Variance Form)
- D – VMTS and DES rates for vehicles used to complete work under this Agreement.
- E –Examples of Central Service Costs
- F –USDOJ Letter re Negotiated Indirect Cost Rate dated March 29, 2021

ATTACHMENT A

WDFW Measures in the approved Rocky Reach Wildlife Habitat Management Plan (2021-2015). Section 4.1

4.1 Washington Department of Fish and Wildlife Habitat Improvements

WDFW owns and manages approximately 30,000 acres of land within the Chelan Wildlife Area (WDFW 2018). The Chelan Wildlife Area, in part, includes the Chelan Butte, Swakane, and Entiat Wildlife units which are located within the RRWA. Chelan PUD will continue to assist WDFW in the final phase of their goal to convert approximately 934 acres of abandoned agricultural fields within the Chelan Butte and Swakane Wildlife units to self-sustaining shrub-steppe habitat,³ which should benefit big game present in the area, as well as a variety of other wildlife species dependent on shrub-steppe habitat. WDFW will also install gates and barriers to protect restored habitats, increase riparian habitat, restore degraded areas, and provide water sources for wildlife. WDFW proposed projects are listed below for each of the Chelan Wildlife Area Wildlife Units.

4.1.1 Chelan Butte Wildlife Unit

The Chelan Butte Wildlife Unit consists of approximately 9,907 acres of land managed by WDFW (Figure Error! No text of specified style in document.-1) and includes 900 acres of abandoned agricultural fields that are in the process of being restored. Projects proposed for the Chelan Butte Wildlife Unit are shown in Table Error! No text of specified style in document.-1.

Table Error! No text of specified style in document.-1: List of projects proposed for WDFW habitat improvements for the 2021-2025 Rocky Reach Wildlife Habitat Management Plan, Chelan Butte Wildlife Unit.

| Project | Activity | Purpose |
|---|---|---|
| Field restoration | Manage weeds via mechanical and chemical methods. | Final restoration efforts |
| Fence removal | Remove derelict fence. | Reduce risk of injury and mortality to wildlife |
| Upland bird feeder | Install 1 feeder in Brick House Canyon. | Winter food source for wildlife |
| Pollinator planting w/irrigation | Plant 0.1 acre pollinator plot. Includes 2 years of weed and soil moisture management. | Enhance habitat for beneficial pollinators |
| Riparian tree and shrub planting w/irrigation | Weed and soil moisture management on 1 acre planted in 2019. Years 2 and 3 of 3-year project. | Increase wildlife cover and forage |
| Spring developments | Develop 6 springs with catch basins. | Water source for wildlife |
| Russian knapweed control | Control up to 48 Russian knapweed patches with chemical, mechanical, or biological treatment and seeding. | Manage weeds, enhance native habitat |

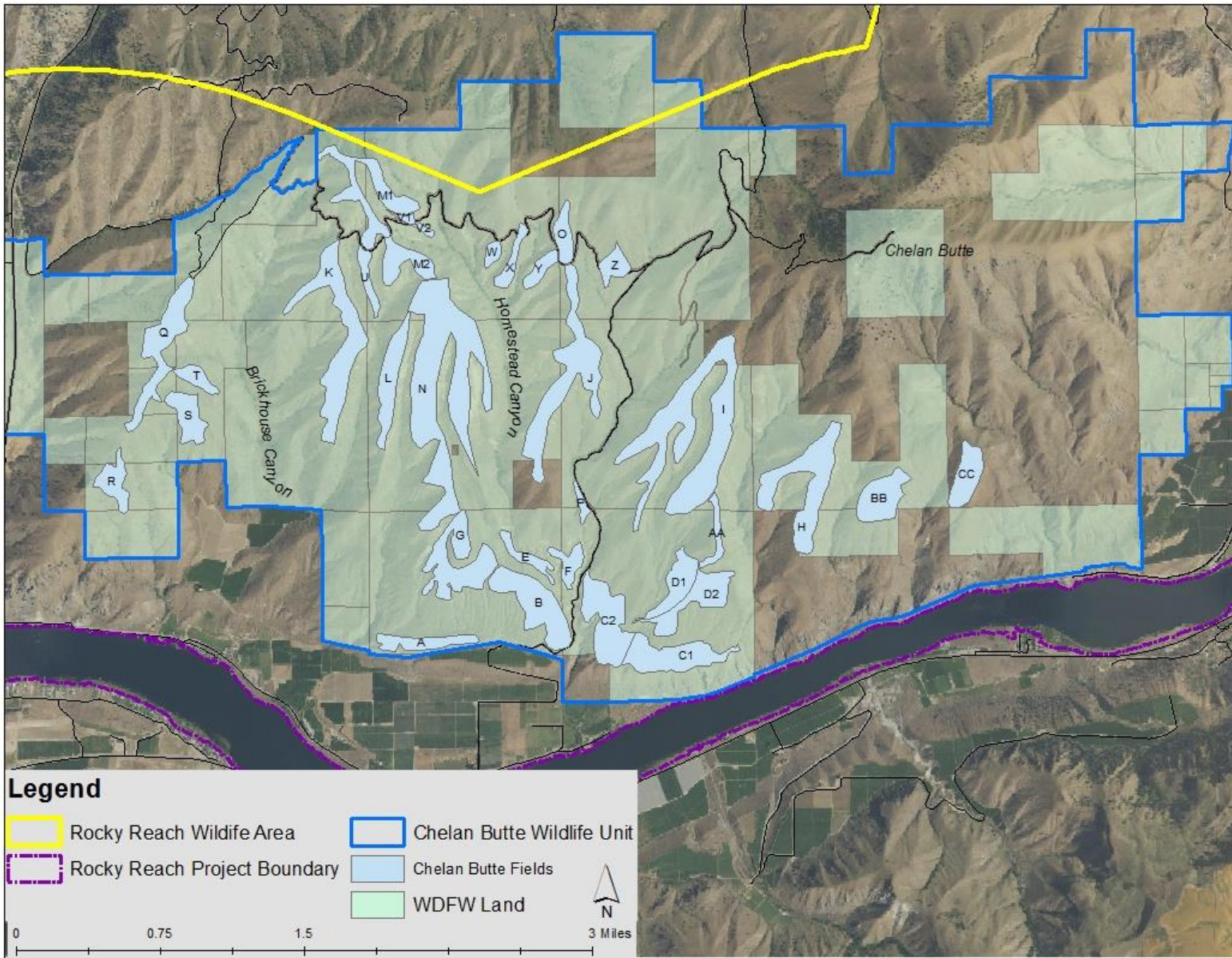


Figure Error! No text of specified style in document.-1: Washington Department of Fish and Wildlife Chelan Butte Wildlife Unit.

4.1.1.1 *Field Restoration*

Proposed restoration efforts on the abandoned agricultural fields on the Chelan Butte Wildlife Unit will continue with weed treatment as necessary in Groups 1-5. Consistent with the original estimate of completing the field restoration effort within 15 years (Chelan PUD 2010; Commission 2009) under this 2020 WHMP, WDFW proposes to complete restoration of all fields by 2023. All fields (934 acres) have been prepped and seeded with native grasses, at a minimum, and only require some additional weed control to be considered complete (Chelan PUD 2019).

4.1.1.2 *Fence Removal and Upland Bird Feeder*

WDFW proposes to reduce wildlife movement barriers and entanglement hazards by removing derelict fence posts and wire within the Chelan Butte Wildlife Unit. WDFW will also install one upland bird feeder in the Brick House Canyon to provide a winter food source for wildlife.

4.1.1.3 *Riparian Plots and Spring Developments*

For this WHMP, WDFW proposes to establish a 0.1-acre pollinator plot with drip irrigation to enhance habitat for beneficial pollinators. This effort includes 2 years of weed and soil moisture management. WDFW also will conduct weed and soil moisture management on 1 acre of riparian plantings that were installed in 2019. This riparian site has drip irrigation and will need the respective weed and moisture maintenance actions in Years 2 and 3 of the 3-year treatment to establish the plot. In addition, six springs are proposed to be developed with catch basins to provide additional water sources for wildlife within the Chelan Butte Wildlife Unit.

4.1.1.4 *Weed Control Actions*

WDFW proposes to enhance upland and riparian habitat by conducting herbicide and mechanical treatments and seeding to control up to 48 Russian knapweed patches within the Chelan Butte Wildlife Unit.

4.1.2 *Swakane Wildlife Unit*

The Swakane Wildlife Unit is comprised of approximately 11,273 acres of land managed by WDFW (Figure Error! **No text of specified style in document.-2**) and includes 89 acres of abandoned agricultural fields that have been restored to native habitat (see 5-year Summary Report; 2015-2020 submitted with this WHMP). Proposed projects for the Swakane Wildlife Unit are shown in Table Error! **No text of specified style in document.-2**.

Table Error! No text of specified style in document.-2: List of projects proposed by Wildlife Unit for WDFW habitat improvements for the 2021-2025 Rocky Reach Wildlife Habitat Management Plan, Swakane Wildlife Unit.

| Project | Activity | Purpose |
|---|--|---------------------------------|
| Siberian elm tree eradication | Remove invasive elm trees from riparian areas. | Enhance native riparian habitat |
| Riparian tree and shrub planting w/irrigation | Plant 5 acres of riparian habitat. Includes 3 years of weed and soil moisture management after planting. | Increase wildlife cover |

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| | | |
|---------------------------------------|---|--|
| Pollinator planting w/irrigation | Plant two 0.1-acre pollinator plots. Includes 2 years of weed and soil moisture management. | Enhance habitat for beneficial pollinators |
| Spring development | Develop 1 spring with catch basin. | Water source for wildlife |
| Restore degraded areas-Livestock Pens | Conduct mechanical and chemical fallow in Years 1-2, seeding in Year 3, and control of competing vegetation in Years 4-5. Total of 7 acres. | Restore upland habitat |

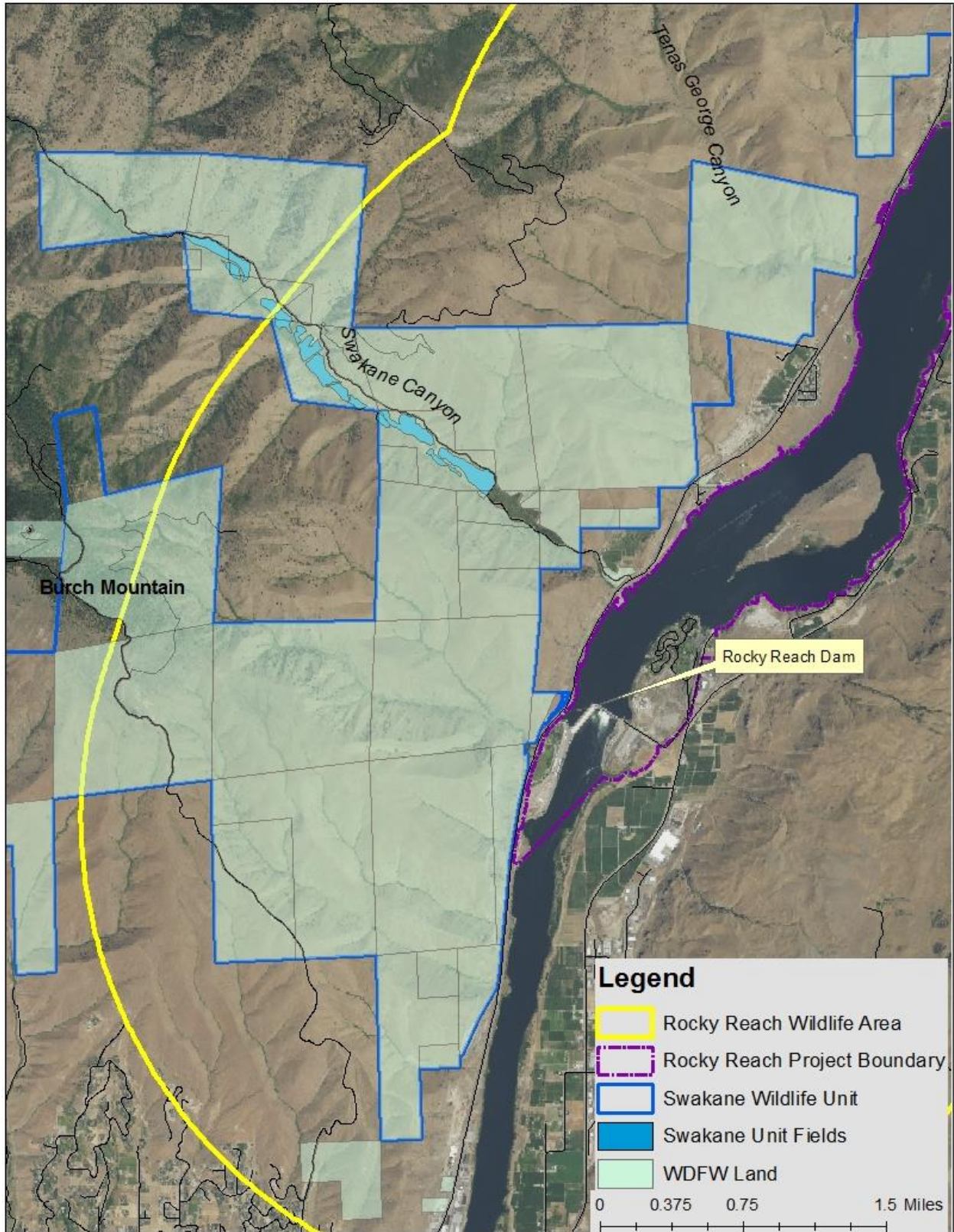


Figure Error! No text of specified style in document.-2: Washington Department of Fish and Wildlife Swakane Wildlife Unit.

4.1.2.1 *Elm Control, Habitat Plots, and Spring Developments*

WDFW proposes to conduct a Siberian elm (*Ulmus pumila*) tree removal project in riparian areas. The elms are a non-native invasive tree and would threaten the establishment of the riparian plots. The elm tree removal would facilitate the development of riparian planting plots. WDFW proposes to establish an additional 5 acres of planted riparian habitat that will be supported by the development of an irrigation system. The planting project will also include 3 years of weed and soil moisture management following the planting effort. The planted trees and shrubs will increase cover for a variety of wildlife species.

A separate effort to establish pollinator habitat will also be conducted. WDFW proposes to establish two 0.1-acre pollinator plots to enhance habitat for beneficial pollinators. The plantings would be supported by a drip irrigation system. The pollinator plot project will also include 2 years of weed and soil moisture management following the planting effort. In addition, to the proposed planting plots, WDFW proposes to develop one spring with a catch basin to provide an additional water source for wildlife.

4.1.2.2 *Restore Degraded Areas*

WDFW has conducted some restoration of native habitat at old homestead barn sites and disturbed off-road areas. The restoration includes cleaning up debris and managing weeds to improve wildlife habitat in Swakane Canyon. For this WHMP, WDFW proposes to restore 7 acres in an area known as the Livestock Pens, which were adjacent to the old barn site. WDFW proposes to conduct mechanical and chemical fallow for 2 years, followed by 1 year of native plant seeding, and a subsequent 2 years of weed control.

4.1.3 *Entiat Wildlife Unit*

The Entiat Wildlife Unit is comprised of approximately 9,851 acres of land managed by WDFW (Figure Error! No text of specified style in document.-3). Projects proposed for the Entiat Wildlife Unit are shown in Table Error! No text of specified style in document.-3.

Table Error! No text of specified style in document.-3: List of projects proposed by Wildlife Unit for WDFW habitat improvements for the 2021-2025 Rocky Reach Wildlife Habitat Management Plan Entiat Wildlife Unit.

| Project | Activity | Purpose |
|---------------------|---|--|
| Upland bird feeder | Install 3 feeders, in East Cemetery, West Cemetery, and Upper Roundy. | Winter food source for wildlife. |
| Spring developments | Develop 2 springs with catch basins. | Water source for wildlife. |
| Gates and barriers | Install 2 gates on the Roundy Area. | Protect existing and restored habitat from vehicle access. |
| Fence removal | Remove derelict fence. | Reduce injury and mortality to wildlife. |

4.1.3.1 *Install Upland Feeders, Gates, Barriers, and Fence Removal.*

WDFW proposes to install three upland game feeders to provide a winter food source for wildlife. Feeders will be installed in the East Cemetery, West Cemetery, and Upper Roundy areas within the Entiat Wildlife Unit. WDFW also proposes to install two spring developments with catch basins to provide a water source for wildlife within the Entiat

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Wildlife Unit. Additionally, to reduce impacts from off-road vehicles and to eliminate animal movement barriers and entanglement hazards, WDFW proposes to install two gates to manage access and remove derelict fence posts and wire on the Roundy area within the Entiat Wildlife Unit.

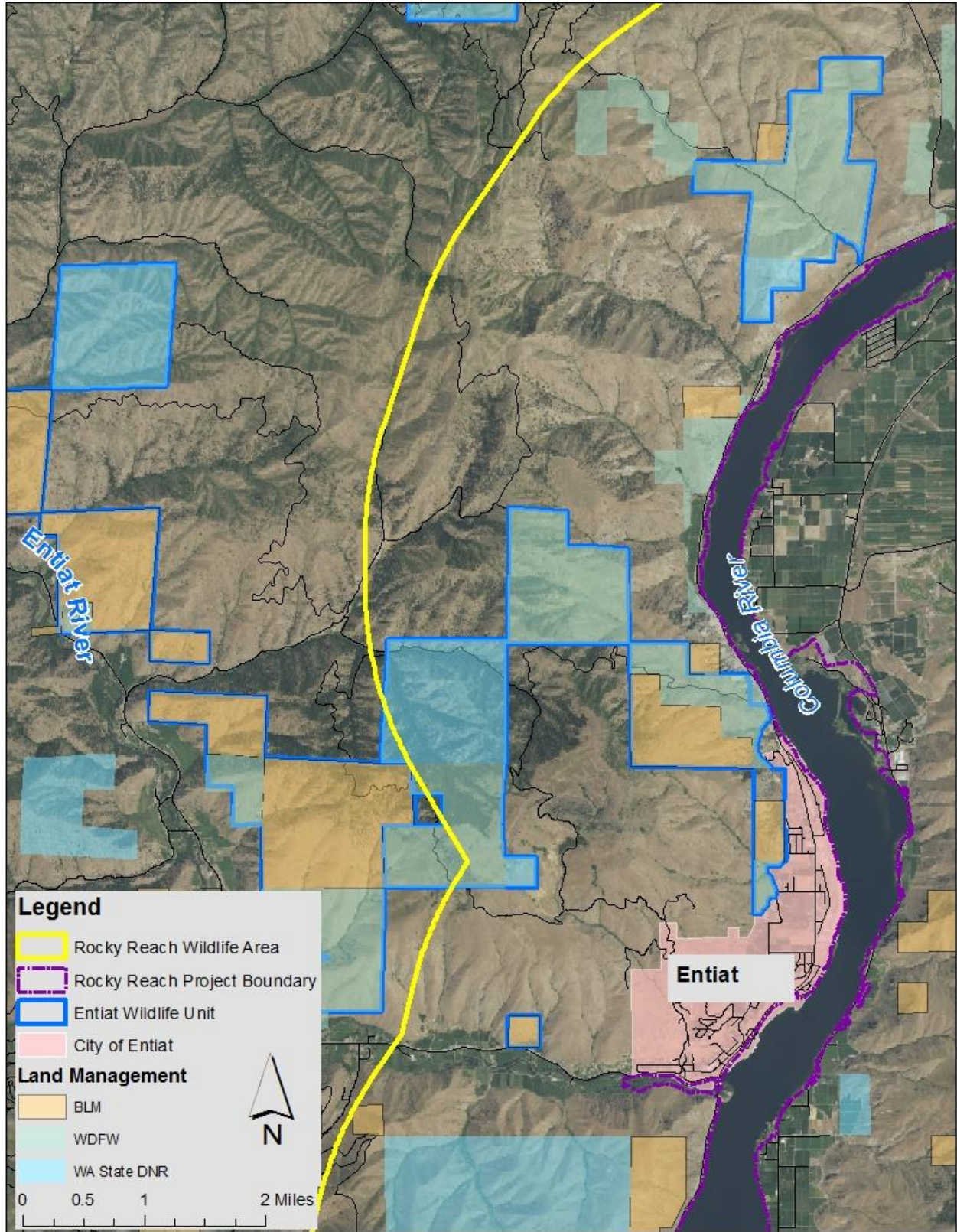


Figure Error! No text of specified style in document.-3: Washington Department of Fish and Wildlife Entiat Wildlife Unit.

4.1.3.2 Fire Response

Much of the Chelan Wildlife Area has been affected by wildfires since the first WHMP (2010). These areas will be assessed for treatment needs and may become the priority for project work based on the needs identified in assessments. Typical fire response treatments would include control of invasive species for up to 3 years following wildfire, seeding of native grass, forb, and shrub species, and planting of containerized native grasses, forbs, and shrubs.

ATTACHMENT B

| Settlement Agreement Article | Funding Spent to Date | Initial Balance (September 1, 2021) | Annual Chelan PUD Contributions ^a | | | | | Available 5-year Balance |
|------------------------------|-----------------------|-------------------------------------|--|--------|--------|--------|--------|--------------------------|
| | | | 2021 ^b | 2022 | 2023 | 2024 | 2025 | |
| RR07ab | 2,371,162 | (64,612) | 88,954 | 91,178 | 93,457 | 95,793 | 98,188 | 314,005 |
| | | | Annual WDFW Budget Amounts ^c | | | | | |
| | | | 62,000 | 63,000 | 63,000 | 63,000 | 63,000 | 314,000 |

^a 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).

^b 2021 contribution is included in the Initial balance

^c Annual WDFW Budget Amount is less than annual contribution to balance Initial Balance deficit

**ATTACHMENT C Monthly Report Form
Monthly Invoice / Variance Form
Rocky Reach Implementation Project**



Date: _____

CCPUD Contract #: Contract No. _____

License Article and Measure RR07ab WDFW Wildlife Habitat

Description:

CCPUD Maximo #: 223299

Agency Name: Washington Department of Fish and Wildlife

Agency Project #:

Submitted by:

Phone:

Report for Calendar Month of _____

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

Reimbursement Total Requested for the Month:

No expenditures/request for reimbursement this month.

Administrative charges only.

Description of Small Tools (per Section 15.c.) for this Month:

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

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 _____

ATTACHMENT D

WDFW VMTS and DES rates for vehicles used to complete work under this Agreement.

AGENCY OWNED VEHICLES**Chelan Wildlife Area Inventory**

| description | Make | Model | License Plate | VMTS Rate | Unit |
|----------------------------------|------|-------|---------------|-----------|------|
| Truck, 1 ton, Ext Cab, 4x4, 2011 | Ford | | 24814E | \$0.92 | mile |

Wells Wildlife Area Inventory

| | | | | | |
|------------------------|-------|--------|--------|--------|------|
| 2014 truck | Ford | F-350 | 24393E | \$0.40 | mile |
| 2014 truck FORD F-150 | Ford | F-150 | 25373E | \$0.37 | mile |
| 2000 FORD RANGER | Ford | Ranger | 13280E | \$0.39 | mile |
| 2001 DODGE SPRAY TRUCK | Dodge | | 16168E | \$0.45 | mile |
| 2000 DODGE 2500 | Dodge | 2500 | 13296E | \$0.55 | mile |
| FIRE TRUCK | Chev | | 09767E | \$0.40 | mile |

MOTOR POOL VEHICLES*

| description | Make | Model | License Plate | Monthly Rate | Mileage Rate |
|-----------------|------|-------|---------------|--------------|--------------|
| 2013 Ford F-150 | Ford | F-150 | 04716M | \$377.00 | \$0.27 |
| 2016 Ford F-350 | Ford | F-350 | 08478M | \$461.00 | \$0.31 |

*Motor vehicles are charged a flat monthly rate and a per mile rate, based on vehicle type. Monthly rates will be prorated to only charge the proportion of the month the vehicles was used for work completed under this agreement.

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ATTACHMENT E

Examples of the administrative type activities that are the core indirect cost expenses at WDFW. These items create the majority of the Business Services program (010) indirect cost pool.

- a. Accounting: AFRS/Fastrack Reports, keeping track of Accounts Payable/Receivable-contracts, processing travel expense reimbursements, processing payments to vendors, processing billing to federal/local and interagency contracts, processing periodical reports as required by IRS, Federal/Local and State guidelines, and maintain petty cash accounts, etc.
- b. Budget: Chart of Accounts, budget process, fiscal notes, periodical status report, inventory activities, performance measure, and maintain cost allocation system.
- c. Contracts: Process federal, local, interagency, and personal services receivable and payable contracts.
- d. Fund Administration: Monitoring dedicated accounts and complete specialized financial reports requested by the legislature and other state agencies, etc.
- e. Payroll: Process payroll, health insurance, garnishment, and periodical reports as required by IRS and the state.
- f. Personnel: Monitor personnel process, safety, training, risk management, and conduct negotiation with Labor Relation Unions, etc.
- g. Purchasing and Inventory: Maintaining inventory systems, agency purchasing, surplus and disposition, GA coordination.
- h. Revenue: Forecast, collect, deposit and process status reports for revenue.
- i. Fleet Support: Monitoring and administrative activities for Fuel and Com-data/Voyager cards. Vehicle Mileage and Time Accounting Reporting system use and maintenance.
- j. Economic: Conduct study of economic impact and provide advice to management.
- k. Information Technology and Systems: Provide Help Desk, application development and support for internet, website and computers, coordinate in the development of the Cost Allocation and Contract Management Systems, etc. DIS liaison.
- l. Mail Room: Receiving and distribution of agency mail and goods. Print and assemble documents.
- m. Regional Offices: Provide administrative support to regional staff and customer services to public.
- n. Executive Management and costs associated with the Director's Office.
- o. Staff costs incurred in performing the functions listed above.

ATTACHMENT F

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United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240
**State and Local Governments
Indirect Cost Negotiation Agreement**

EIN: 91-1632572

Date: 03/29/2021

Organization:Washington Department of Fish and Wildlife
600 Capitol Way North
Olympia, WA 98501

Report Number: 2021-0194

Filing Ref.:Last Negotiation Agreement
dated: 05/05/2020

The indirect cost rate contained herein is for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR Part 200 applies subject to the limitations in Section II.A. of this agreement. The rate was negotiated by the U.S. Department of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in applicable regulations.

Section I: Rate

| Start Date | End Date | Rate Type | Name | Rate | Base | Location | Applicable To |
|------------|------------|--------------------|----------|---------|------|----------|---------------|
| 07/01/2021 | 06/30/2022 | Fixed Carryforward | Indirect | 36.28 % | (A) | All | All Programs |

(A) Base: Total direct costs, less capital expenditures, fish food, and passthrough funds. Passthrough funds are normally defined as payments to participants, stipends to eligible recipients, or subawards, all of which normally require minimal administrative effort.

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

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Section II: General

- A. **Limitations:** Use of the rate(s) contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate(s) agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).
- B. **Audit:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.
- C. **Changes:** The rate(s) contained in this agreement are based on the accounting system in effect at the time the proposal was submitted. Changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate(s) in this agreement may require the prior approval of the cognizant agency. Failure to obtain such approval may result in subsequent audit disallowance.
- D. **Rate Type:**
1. **Fixed Carryforward Rate:** The fixed carryforward rate is based on an estimate of the costs that will be incurred during the period for which the rate applies. When the actual costs for such period have been determined, an adjustment will be made to the rate for a future period, if necessary, to compensate for the difference between the costs used to establish the fixed rate and the actual costs.
 2. **Provisional/Final Rate:** Within six (6) months after year end, a final indirect cost rate proposal must be submitted based on actual costs. Billings and charges to contracts and grants must be adjusted if the final rate varies from the provisional rate. If the final rate is greater than the provisional rate and there are no funds available to cover the additional indirect costs, the organization may not recover all indirect costs. Conversely, if the final rate is less than the provisional rate, the organization will be required to pay back the difference to the funding agency.
 3. **Predetermined Rate:** A predetermined rate is an indirect cost rate applicable to a specified current or future period, usually the organization's fiscal year. The rate is based on an estimate of the costs to be incurred during the period. A predetermined rate is not subject to adjustment.
- E. **Rate Extension:** Only final and predetermined rates may be eligible for consideration of rate extensions. Requests for rate extensions of a current rate will be reviewed on a case-by-case basis. If an extension is granted, the non-Federal entity may not request a rate review until the extension period ends. In the last year of a rate extension period, the non-Federal entity must submit a new rate proposal for the next fiscal period.
- F. **Agency Notification:** Copies of this document may be provided to other federal offices as a means of notifying them of the agreement contained herein.
- G. **Record Keeping:** Organizations must maintain accounting records that demonstrate that each type of cost has been treated consistently either as a direct cost or an indirect cost. Records pertaining to the costs of program administration, such as salaries, travel, and related costs, should be kept on an annual basis.
- H. **Reimbursement Ceilings:** Grantee/contractor program agreements providing for ceilings on indirect cost rates or reimbursement amounts are subject to the ceilings stipulated in the contract or grant agreements. If the ceiling rate is higher than the negotiated rate in Section I of this agreement, the negotiated rate will be used to determine the maximum allowable indirect cost.
- I. **Use of Other Rates:** If any federal programs are reimbursing indirect costs to this grantee/contractor by a measure other than the approved rate(s) in this agreement, the grantee/contractor should credit such costs to the

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Section II: General (continued)

affected programs, and the approved rate(s) should be used to identify the maximum amount of indirect cost allocable to these programs.

- J. **Central Service Costs:** If the proposed central service cost allocation plan for the same period has not been approved by that time, the indirect cost proposal may be prepared including an amount for central services that is based on the latest federally-approved central service cost allocation plan. The difference between these central service amounts and the amounts ultimately approved will be compensated for by an adjustment in a subsequent period.
- K. **Other:**
1. The purpose of an indirect cost rate is to facilitate the allocation and billing of indirect costs. Approval of the indirect cost rate does not mean that an organization can recover more than the actual costs of a particular program or activity.
 2. Programs received or initiated by the organization subsequent to the negotiation of this agreement are subject to the approved indirect cost rate(s) if the programs receive administrative support from the indirect cost pool. It should be noted that this could result in an adjustment to a future rate.
 3. Indirect cost proposals must be developed (and, when required, submitted) within six (6) months after the close of the governmental unit's fiscal year, unless an exception is approved by the cognizant agency for indirect costs.

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Section III: Acceptance

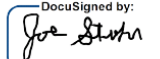
Listed below are the signatures of acceptance for this agreement:

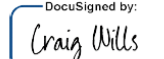
By the State and Local Governments

By the Cognizant Federal Government Agency

Washington Department of Fish and Wildlife

US Department of the Interior - FWS

DocuSigned by:

124425605EDA4A6...

DocuSigned by:

B47DB1F4A5DB4BF...

Signature

Signature

Joe Stohr

Craig Wills

Name:

Name:

Technology and Financial Management Program
Director

Division Chief
Indirect Cost Services Division
Interior Business Center

Title:

Title:

3/30/2021

3/29/2021

Date

Date

Negotiated by: Elena Chan
Telephone: (916) 930-3824

Next Proposal Due Date: 12/31/2021