



Your Northwest renewables utility

April 25, 2013

VIA ELECTRONIC FILING

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission (FERC)
888 First Street NE
Washington, DC 20426

**Re: Jackson Hydroelectric Project, FERC No. 2157
Fish Habitat Enhancement Plan 2012 Annual Report
License Appendix G A-LA 12**

Dear Secretary Bose:

Enclosed is the Public Utility District No. 1 of Snohomish County's Fish Habitat Enhancement Plan 2012 Annual Report pursuant to the Jackson Hydroelectric Project's License Appendix G A-LA12. The draft report was provided to the Aquatic Resource Committee for a 30-day review and comment period. The report was updated based on a comment received from Snohomish County; consultation documentation and the response to the comment are included in the report's appendices.

If you have any questions on the Fish Habitat Enhancement Plan 2012 Annual Report, please contact Dawn Presler, Sr. Environmental Coordinator, at (425) 783-1709 or DJPresler@snopud.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Kim D. Moore", is written over a horizontal line.

Kim D. Moore, P.E.
Assistant General Manager of Generation, Water, and Corporate Services
KDMoore@snopud.com
(425) 783-8606

Enclosed: FHEP 2012 Annual Report

Henry M. Jackson Hydroelectric Project (FERC No. 2157)



Fish Habitat Enhancement Plan: 2012 Annual Report



Everett, WA

April 2013

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1.0 INTRODUCTION

The Public Utility District No. 1 of Snohomish County (District) received a license on September 2, 2011 (License), from the Federal Energy Regulatory Commission (FERC) for the Henry M. Jackson Hydroelectric Project (Project). License Ordering Paragraphs D (Washington Department of Ecology 401 Water Quality Certification conditions) and E (U.S. Forest Service section 4(e) conditions) require the District to implement Aquatic License Article 12: Fish Habitat Enhancement Plan (A-LA 12) as detailed in License Appendix G. The District filed the Fish Habitat Enhancement Plan (FHE Plan) with the FERC on November 19, 2010.

As indicated in the FHE Plan, funded projects will be designed to provide additional Project-related enhancements to aquatic resources and hydrologic processes focused in the Sultan River basin; thereby, providing considerable benefits to Sultan River basin aquatic habitat and anadromous and resident fish populations throughout the License term. These additional habitat enhancement projects, working in conjunction with other protection, mitigation and enhancement measures, such as improved side channel connectivity, increased instream flows, and the anticipated fish passage at the Diversion Dam, will likely substantially increase the quantity and quality of aquatic habitat and population performance of anadromous and resident fish in the lower Sultan River. Establishment of the ongoing FHE Plan and Habitat Enhancement Account (HEA) will also allow for adaptive management as conditions change in the basin. The mitigation provided through the fund will best address habitat enhancement and restoration needs throughout the License term by allowing flexibility to ensure that these other habitat enhancement and restoration projects are developed and implemented during the License term.

Pursuant to Section 6.2 of the FHE Plan, the District is to prepare a report by June 30 of each year detailing activities that occurred the previous year and activities planned for the present year as they relate to implementation of FHE Plan-approved projects. This FHE Plan Annual Report, covering activities conducted in 2012 and planned for 2013, has been provided to the Aquatic Resources Committee (ARC) for a 30-day review and comment period. The ARC consists of the City of Everett, City of Sultan, Snohomish County, Washington Department of Ecology, Washington Department of Fish and Wildlife, Tulalip Tribes, U.S. Forest Service, National Marine Fisheries Service, U.S. Fish and Wildlife Service, and American Whitewater. Consultation documentation is included in Appendix 1, with responses to comments included in Appendix 2.

2.0 ACTIVITIES FOR YEAR 2012

2.1 Project Selection

No additional projects were selected for funding in 2012 beyond those as reported in the 2011 FHE Annual Report.

2.2 Project Implementation

Two projects were approved for funding in 2012 as reported in the 2011 FHE Annual Report.

2.2.1 Confluence Property Acquisition

The primary objective of the proposed Confluence Property Acquisition project was to acquire floodplain property that supports salmonid habitat in the Braided Reach of the Skykomish River near the confluence with the Sultan River. The District conducted an appraisal of the property and attempted to reach a reasonable and defensible purchase price with the owner but was unable to do so. As such, the allocated funds (minus the cost incurred from the appraisal and acquisition negotiation) was “returned” to the HEA for use by another ARC-approved project. If this project becomes viable again, a new proposal would need to be submitted to the ARC for approval.

2.2.2 Shinglebolt Slough Restoration

The Shinglebolt Slough Restoration project was contingent on the District obtaining ownership of the property as discussed above in Section 2.2.1. Since the District was unable to acquire the property, this Shinglebolt Slough Restoration project did not move forward. Money approved for this project was “returned” to the HEA for use on future projects. If this project becomes viable again, a new proposal would need to be submitted to the ARC for approval.

2.3 Project Monitoring

No monitoring of FHE Plan habitat projects was conducted since no FHE-funded habitat projects were implemented in the field in 2012.

3.0 ACTIVITIES FOR YEAR 2013

3.1 Project Selection

During the 4Q 2012 ARC meeting on October 17, 2012, the ARC reviewed three project proposals. A summary of the selection is as follows:

PROPOSAL NAME	APPROVED FUNDING	NOTES
Lower Skykomish River Restoration Project (Snohomish County)	Yes	
Blackberry and Knotweed Control Along Side Channels at Osprey Park (District)	Yes	As combined with WDFW proposal
Lower Sultan River Riparian Restoration (WDFW)	Yes	As combined with District proposal

3.1.1 Lower Skykomish River Restoration Project

The objective of this project is to enhance off channel salmon habitat and will be conducted in conjunction with enhancements being conducted by the Snohomish County in the same area. The HEA funds will allow for a more robust design and implementation efficiencies on a reach scale, including; instream LWD structures, edge habitat wood placement, flood fencing, riparian planting and project monitoring. These elements will improve juvenile Chinook rearing and

refugia habitat in the Skykomish River, immediately downstream of the Sultan River. As identified in the 2011 update of the Snohomish River Basin 3-Year Work Plan, this action is recovery based as it addresses what is thought to be the primary habitat factor in the decline of Chinook salmon in the Snohomish Basin; the loss of rearing habitat quantity and quality along the mainstem rivers, estuary and nearshore habitats. Work will be conducted through Snohomish County in coordination with their efforts at the same location. This project has been allocated \$175,000, and is anticipated to be conducted through an Interlocal Agreement between Snohomish County and the District.

3.1.2 Lower Sultan River Riparian Restoration

The objective of this project is to control invasive knotweed (*Polygonum* spp.), Himalayan blackberry (*Rubus discolor*) and Scotch broom (*Cytisus scoparius*) along the lower Sultan River. Left unchecked, these species will continue to spread. This project will coordinate with the Sultan River Side Channel Restoration Project by providing for the control of invasive blackberry and knotweed at Osprey Park, where the side channel restoration work was constructed. However, the area of focus will be expanded beyond Osprey Park, encompassing the entire lower Sultan River basin, to provide better long-term control of invasive vegetation. Work will include mapping of locations of these invasive species up to River Mile 6.0, control of these weeds through manual cutting, spraying and other methods, replanting of infected areas with native plants, and monitoring of project results. Control and monitoring will occur over three years with an additional two years of monitoring. This project was originally allocated \$195,000, but the ARC agreed in March 2013 to increase the amount to \$230,000 based on opened bids.

4.0 FUND BALANCE

As of January 1, 2013, the fund balance is \$2,505,817.44 (\$4,861.38 from the Confluence Property Acquisition work will be subtracted from the fund in February 2013.).

5.0 FHE PLAN RECOMMENDATIONS

No recommendations are being made at this time.

Appendix 1

Consultation Documentation

Presler, Dawn

From: Presler, Dawn
Sent: Friday, March 22, 2013 9:34 AM
To: 'Steven Fransen' (steven.m.fransen@noaa.gov); 'Loren Everest - USFS' (leverest@fs.fed.us); 'Tim_Romanski@fws.gov' (Tim_Romanski@fws.gov); 'Anne Savery' (asavery@tulaliptribes-nsn.gov); 'brock.applegate@dfw.wa.gov' (brock.applegate@dfw.wa.gov); 'Maynard, Chris (ECY)' (cmay461@ecy.wa.gov); 'Jim Miller' (JMiller@ci.everett.wa.us); 'mick.matheson@ci.sultan.wa.us' (mick.matheson@ci.sultan.wa.us); 'Leonetti, Frank' (frank.leonetti@snoco.org); 'Thomas O'Keefe' (okeefe@americanwhitewater.org)
Cc: Moore, Kim; Binkley, Keith
Subject: JHP ARC - draft FHE Plan Annual Report for your review adn comment.
Attachments: 2012 FHEP Annual Report.docx

Dear ARC,

Attached is the DRAFT Fish Habitat Enhancement Plan Annual Report for 2012. (A really short read/review.) Please take the next 30 days to review and comment on it; comments should be emailed to me (and cc: Keith) by April 21. We can also discuss any questions you may have on it at the ARC meeting on Wednesday April 17. If you have no comments on the draft report, a quick email stating so would be appreciated.

Have a great weekend!

Dawn J. Presler

Sr. Environmental Coordinator

Generation Resources

Snohomish County PUD

PO Box 1107 Everett, WA 98206-1107

425-783-1709

Presler, Dawn

From: Applegate, Brock A (DFW) <Brock.Applegate@dfw.wa.gov>
Sent: Thursday, April 18, 2013 4:48 PM
To: Presler, Dawn; 'Steven Fransen' (steven.m.fransen@noaa.gov); 'Loren Everest - USFS' (leverest@fs.fed.us); 'Tim_Romanski@fws.gov' (Tim_Romanski@fws.gov); 'Anne Savery' (asavery@tulaliptribes-nsn.gov); Maynard, Chris (ECY); 'Jim Miller' (JMiller@ci.everett.wa.us); 'mick.matheson@ci.sultan.wa.us' (mick.matheson@ci.sultan.wa.us); 'Leonetti, Frank' (frank.leonetti@snoco.org); 'Thomas O'Keefe' (okeefe@americanwhitewater.org)
Cc: Moore, Kim; Binkley, Keith
Subject: RE: JHP ARC - draft FHE Plan Annual Report for your review and comment.

Hi Dawn, WDFW has reviewed the FHE Plan Annual Report and has no comments.

Thanks for sending out for our review.

Sincerely, Brock

Brock Applegate
Major Projects Mitigation Biologist
Washington Department of Fish and Wildlife
16018 Mill Creek Boulevard
Mill Creek, WA 98012-1541

(425) 775-1311 x310
(360) 789-0578 (cell)
(425) 338-1066 (fax)

From: Presler, Dawn [<mailto:DJPresler@SNOPUD.com>]
Sent: Friday, March 22, 2013 9:34 AM
To: 'Steven Fransen' (steven.m.fransen@noaa.gov); 'Loren Everest - USFS' (leverest@fs.fed.us); 'Tim_Romanski@fws.gov' (Tim_Romanski@fws.gov); 'Anne Savery' (asavery@tulaliptribes-nsn.gov); Applegate, Brock A (DFW); Maynard, Chris (ECY); 'Jim Miller' (JMiller@ci.everett.wa.us); 'mick.matheson@ci.sultan.wa.us' (mick.matheson@ci.sultan.wa.us); 'Leonetti, Frank' (frank.leonetti@snoco.org); 'Thomas O'Keefe' (okeefe@americanwhitewater.org)
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Sr. Environmental Coordinator
Generation Resources

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PO Box 1107 Everett, WA 98206-1107
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Presler, Dawn

From: Leonetti, Frank <frank.leonetti@snoco.org>
Sent: Monday, April 22, 2013 2:05 PM
To: Presler, Dawn; 'Steven Fransen' (steven.m.fransen@noaa.gov); 'Loren Everest - USFS' (leverest@fs.fed.us); 'Tim_Romanski@fws.gov' (Tim_Romanski@fws.gov); 'Anne Savery' (asavery@tulaliptribes-nsn.gov); 'brock.applegate@dfw.wa.gov' (brock.applegate@dfw.wa.gov); 'Maynard, Chris (ECY)' (cmay461@ecy.wa.gov); 'Jim Miller' (JMiller@ci.everett.wa.us); 'mick.matheson@ci.sultan.wa.us' (mick.matheson@ci.sultan.wa.us); 'Thomas O'Keefe' (okeefe@americanwhitewater.org)
Cc: Moore, Kim; Binkley, Keith
Subject: RE: JHP ARC - draft FHE Plan Annual Report for your review adn comment.

Hi Dawn, sorry my comments are a day late on the 2012 FHE Annual Report. My only thought is with respect to the 2 projects approved in 2012 that are not moving forward. For both the Connelly acquisition and the Shinglebolt slough project, the explanation doesn't state how these projects would be treated in the future, if they became viable again. If the proposed purchase price was accepted by the landowner (minds change), would the "project" need to be re-proposed and scored, etc. given that the allocated funds are "returned" to the HEA? Anyway, that's all. Thanks.

Frank Leonetti | Senior Habitat Specialist
Surface Water Management

 **Snohomish County**

Department of Public Works

3000 Rockefeller Ave, M/S 607

Everett, WA 98201

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WEB: www.Snoco.org

NOTICE:

All emails, and attachments, sent to and from Snohomish County, are public records and may be subject to disclosure pursuant to the Public Records Act ([RCW 42.56](#))

From: Presler, Dawn [<mailto:DJPresler@SNOPUD.com>]
Sent: Friday, March 22, 2013 9:34 AM
To: 'Steven Fransen' (steven.m.fransen@noaa.gov); 'Loren Everest - USFS' (leverest@fs.fed.us); 'Tim_Romanski@fws.gov' (Tim_Romanski@fws.gov); 'Anne Savery' (asavery@tulaliptribes-nsn.gov); 'brock.applegate@dfw.wa.gov' (brock.applegate@dfw.wa.gov); 'Maynard, Chris (ECY)' (cmay461@ecy.wa.gov); 'Jim Miller' (JMiller@ci.everett.wa.us); 'mick.matheson@ci.sultan.wa.us' (mick.matheson@ci.sultan.wa.us); Leonetti, Frank; 'Thomas O'Keefe' (okeefe@americanwhitewater.org)
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Have a great weekend!

Appendix 2

Response to Comments

ARC Comment	District Response
<p>Snohomish County, emailed 4/22/2013: My only thought is with respect to the 2 projects approved in 2012 that are not moving forward. For both the Connelly acquisition and the Shinglebolt slough project, the explanation doesn't state how these projects would be treated in the future, if they became viable again. If the proposed purchase price was accepted by the landowner (minds change), would the "project" need to be re-proposed and scored, etc. given that the allocated funds are "returned" to the HEA?</p>	<p>The approved proposal was for property acquisition to occur in 2012 (pursuant to the proposal schedule). Since there was no successful acquisition, the proposal is complete/closed. The Shinglebolt slough project was contingent on acquisition of the confluence property. If the projects are viable again, they'll need a new proposal to be approved by the ARC. The report was updated to state as such.</p>