



Your Northwest renewables utility

May 8, 2014

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 2013 Annual Report
License Appendix G A-LA 12**

Dear Secretary Bose:

Enclosed is Public Utility District No. 1 of Snohomish County's Fish Habitat Enhancement Plan 2013 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 Washington Department of Fish and Wildlife; 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 2013 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 light blue horizontal line.

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

Enclosed: FHEP 2013 Annual Report

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



Fish Habitat Enhancement Plan: 2013 Annual Report (A-LA 12)



Everett, WA

May 2014

Final – This document has been prepared for the District. It has been peer-reviewed by the District for accuracy and formatting based on information known at the time of its preparation and with that understanding is considered complete by the District. The document may be cited as:

Public Utility District No. 1 of Snohomish County (District). 2014. Fish Habitat Enhancement Plan: 2013 Annual Report (A-LA 12) for the Henry M. Jackson Hydroelectric Project, FERC No. 2157. May 2014.

TABLE OF CONTENTS

1.0	INTRODUCTION.....	1
2.0	ACTIVITIES FOR YEAR 2013	1
2.1	Project Selection.....	1
2.2	Project Implementation	1
2.2.1	<i>Lower Skykomish River Restoration Project</i>	<i>2</i>
2.2.2	<i>Lower Skykomish River Property Acquisition</i>	<i>2</i>
2.2.3	<i>Lower Sultan River Riparian Restoration.....</i>	<i>2</i>
2.3	Project Monitoring	3
3.0	ACTIVITIES FOR YEAR 2014	3
3.1	Project Selection.....	3
3.1.1	<i>Lower Skykomish River Restoration Project</i>	<i>3</i>
3.1.2	<i>Lower Sultan River Riparian Restoration.....</i>	<i>4</i>
4.0	FUND BALANCE.....	4
5.0	FHE PLAN RECOMMENDATIONS.....	4

APPENDICES

Appendix 1	Consultation Documentation
Appendix 2	Response to Comments

1.0 INTRODUCTION

Public Utility District No. 1 of Snohomish County (the 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 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 performance of anadromous and resident fish populations 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 2013 and planned for 2014, 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 2013

2.1 Project Selection

The ARC approved one new project for funding in 2013; the acquisition of property as described below in Section 2.2.2.

2.2 Project Implementation

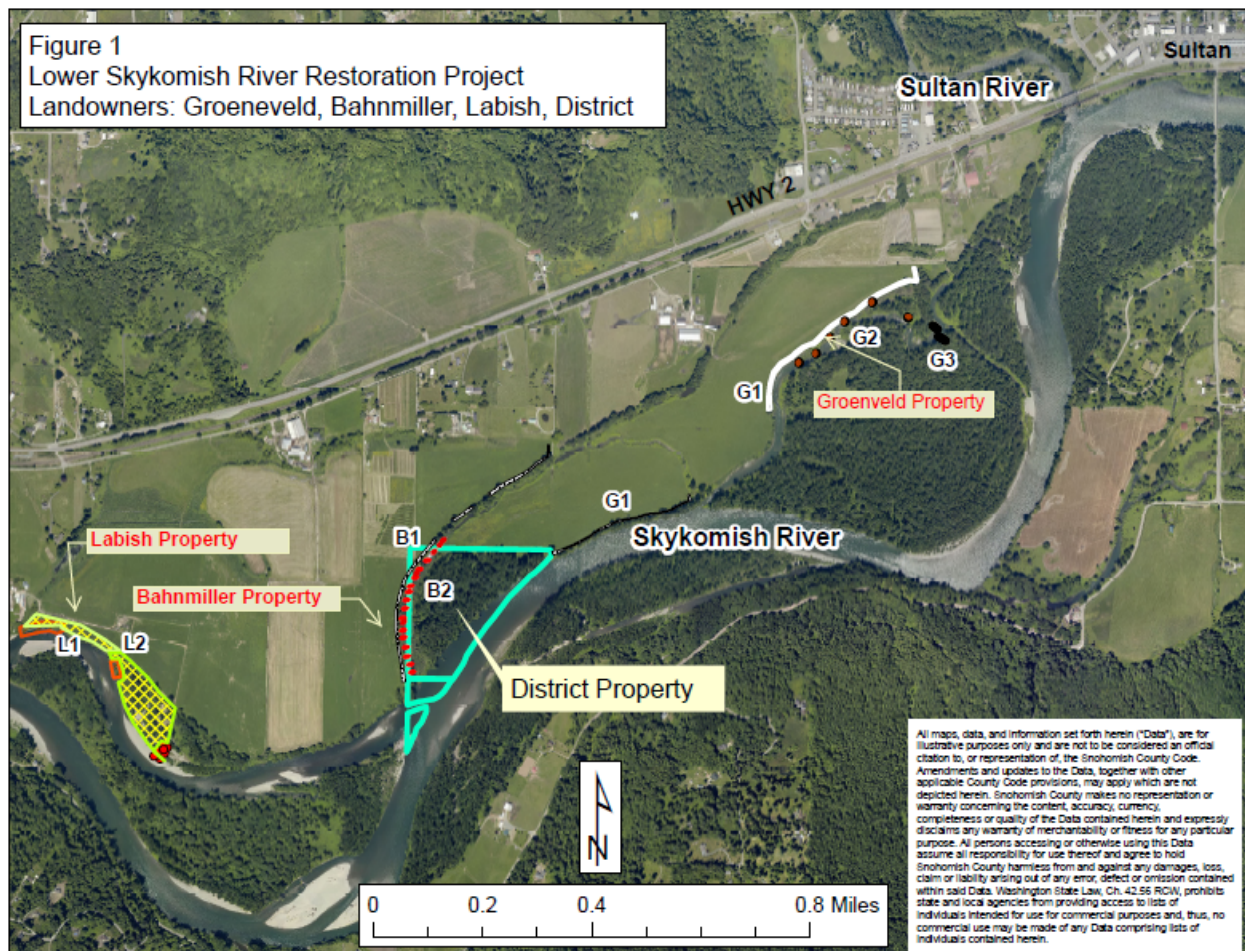
Three projects were approved for funding in 2013 with activities described below.

2.2.1 Lower Skykomish River Restoration Project

The District and Snohomish County finalized their Inter-Local Agreement for this project. Snohomish County continued work on design, access, and contract documents.

2.2.2 Lower Skykomish River Property Acquisition

The District purchased parcels totaling 29 acres to support the Lower Skykomish River Restoration Project (see teal highlighted area of Figure 1). Easements on these parcels were needed to conduct of the FHE-funded restoration project; however, the landowner was unwilling to grant easements that would potentially impact the sale of her property. The ARC approved this acquisition of these parcels and ongoing property management, if needed, during the ARC meeting on July 17, 2013. As such, the District's Real Estate department conducted its review, worked with the landowner, and purchased the property. Snohomish County requested, and the District authorized, a temporary construction easement and an access permit for future monitoring on the property.



2.2.3 Lower Sultan River Riparian Restoration

Beginning in spring 2013, knotweed and blackberry were inventoried the lower 6 miles of the Sultan River. Landowners were solicited for permission to access their properties and treat weeds found on site, with a majority of landowners willing to cooperate. Crews also floated the

lower 3 miles of the river to map invasives and determined those parcels most important to project success. Results quickly revealed the presence of significantly more weeds than the initial ARC estimate of 7 acres. Approximately 14.2 acres were mapped, with knotweed and two blackberry species comprising 98% of the affected area. Several additional large patches of blackberry (estimated to be 5-6 acres) were noted within the lower 3 miles of the river. Also mapped were thistle, holly, ivy, and scotch broom. To use the allocated funds most effectively, the District proposed that knotweed receive the highest priority, with thistle, holly, ivy, and scotch broom receiving second priority due to the small amount of infestation discovered. Blackberry, already very widespread in the river basin, would be controlled primarily within the lower 3 miles of the river, in park settings, and where the potential existed for it to encroach on existing side channels. This adjustment to the initial proposal allowed the project to continue within the constraints of the original proposal and budget.

2.3 Project Monitoring

No monitoring of FHE Plan habitat projects was conducted since no FHE-funded habitat projects were completed in 2013.

3.0 ACTIVITIES FOR YEAR 2014

3.1 Project Selection

During the 4Q 2013 ARC meeting on October 16, 2013, no new proposals were submitted for consideration for funding in 2014. The District continues the multi-year effort on two previously ARC-approved, FHE-funded projects.

3.2 Project Implementation

3.2.1 Lower Skykomish River Restoration Project

The Lower Skykomish River Restoration Phase I Project will be constructed in 2014. Final design and bid preparation for construction during summer 2014 is ongoing. Flood fencing began in March and will be installed along 5,000 lineal feet of floodplain riparian edge of the Groeneveld, Bahnmitter, and District properties (see Figure 1 above). The inter-planting of these structures with conifers will be accomplished in fall and winter 2014. Invasive vegetation control will be accomplished in fall 2014 where invasive vegetation occurs along the project sites.

In-channel construction will begin July 1, 2014. Small logjams and two in-stream flood fences will be constructed in the Groeneveld Slough. Individual large wood pieces will be placed in the channel along roughly 1,000 feet of backwater slough habitat on the District and Bahnmitter properties. The project on the Labish property will begin in July 2014. Components of the project include the placement of large wood at two locations on a large side channel and the installation of in-channel flood fencing structures on the side channel meander bar located on the Labish property. Post construction implementation monitoring will begin in the fall 2014.

3.2.2 Lower Sultan River Riparian Restoration

Year 2 activities will include re-treatment of all areas initially treated in 2013, as needed, and additional canvassing of selected properties where invasive species were mapped in 2013. Revegetation of selected sites is expected to occur during fall 2014 (allowing for two full treatment seasons to be conducted). A fraction of areas treated in 2014 will require a third year of follow-up treatment in 2015. Those sites would be revegetated, as needed, following the 2015 treatment season.

4.0 FUND BALANCE

As of January 1, 2014, the fund's account balance was \$2,356,071.50. However, this balance does not reflect amounts not yet spent towards approved projects and reserves for potential slides. The balance of unallocated funds for use on future projects is \$1,426,963.08, as follows:

Fund Start	\$2,500,000.00
Interest to-date (12/31/13)	<u>+\$ 10,124.46</u>
Subtotal	\$2,510,124.46
Confluence property acquisition	- \$ 4,861.38 (closed)
Future slides reserve	- \$ 500,000.00 (allocated)
Hochfeld property acquisition	- \$ 173,300.00 (allocated)
Lower Skykomish River restoration	- \$ 175,000.00 (allocated)
Riparian restoration Sultan River	<u>- \$ 230,000.00 (allocated)</u>
Total	\$1,426,963.08

5.0 FHE PLAN RECOMMENDATIONS

No recommendations for changes to the FHE Plan are being made at this time.

Appendix 1

Consultation Documentation

Presler, Dawn

From: Presler, Dawn
Sent: Tuesday, May 06, 2014 10:58 AM
To: 'Applegate, Brock A (DFW)'
Subject: RE: Jackson Project (FERC No. 2157) - draft Fish Habitat Enhancement Plan Annual Report for your 30-day review

Hi Brock,

Yep, can do. (I had hope to have had that info for the draft report before I sent for ARC review but our accounting folks took a bit more time to get me the info.) I will include similar info in the report like I provided at the ARC meeting.

Dawn

From: Applegate, Brock A (DFW) [<mailto:Brock.Applegate@dfw.wa.gov>]
Sent: Monday, May 05, 2014 4:34 PM
To: Presler, Dawn; Maynard, Chris (ECY); 'Loren Everest - USFS' (leverest@fs.fed.us); 'Tim_Romanski@fws.gov' (Tim_Romanski@fws.gov); Anne Savery; 'Leonetti, Frank' (frank.leonetti@snoco.org); 'Steven Fransen' (steven.m.fransen@noaa.gov); Mick Matheson; 'Jim Miller' (JMiller@ci.everett.wa.us); Tom O'Keefe
Cc: Moore, Kim; Binkley, Keith; Spangler, Brad
Subject: RE: Jackson Project (FERC No. 2157) - draft Fish Habitat Enhancement Plan Annual Report for your 30-day review

Dear Snohomish PUD, Under 4.0 Fund Balance, WDFW recommends that you include the balance amount after reserved money for projects is subtracted away from the total balance. This new balance would be beneficial because it allows us to know approximately how much money would be available for future projects.

Thanks for consideration of our recommendation.

Sincerely, Brock

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

(425) 379-2310 (office)
(360) 789-0578 (cell)
(425) 338-1066 (fax)

From: Presler, Dawn [<mailto:DJPresler@SNOPUD.com>]
Sent: Friday, April 04, 2014 8:19 AM
To: Applegate, Brock A (DFW); Maynard, Chris (ECY); 'Loren Everest - USFS' (leverest@fs.fed.us); 'Tim_Romanski@fws.gov' (Tim_Romanski@fws.gov); Anne Savery; 'Leonetti, Frank' (frank.leonetti@snoco.org); 'Steven Fransen' (steven.m.fransen@noaa.gov); Mick Matheson; 'Jim Miller' (JMiller@ci.everett.wa.us); Tom O'Keefe
Cc: Moore, Kim; Binkley, Keith; Spangler, Brad
Subject: Jackson Project (FERC No. 2157) - draft Fish Habitat Enhancement Plan Annual Report for your 30-day review

Dear ARC Members:

Attached is the very brief, draft FHE Plan Annual Report for 2013. Please take the next 30-days to review and provide me with written comments, if any, by May 5, 2014. As indicated on the draft

ARC agenda for April 16, we can discuss any questions you might have on the draft report or FHE Plan. If you have no comments on the draft report, an email stating so would be greatly appreciated.

Have a great weekend!

Sincerely,

Dawn Presler

Sr. Environmental Coordinator

Generation Resources

(425) 783-1709

Public Utility District No. 1 of Snohomish County

PO Box 1107

Everett, WA 98206-1107

Appendix 2

Response to Comments

ARC Comment	District Response
WDFW email dated 5/5/2014: Under 4.0 Fund Balance, WDFW recommends that you include the balance amount after reserved money for projects is subtracted away from the total balance. This new balance would be beneficial because it allows us to know approximately how much money would be available for future projects.	Updated Section 4.0 to show amount of fund available for allocation to future projects.