



3628 South 35th Street
Tacoma, Washington 98409-3192

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OFFICE OF THE
SECRETARY

TACOMA PUBLIC UTILITIES

2004 JUL 19 A 10:32

FEDERAL ENERGY
REGULATORY COMMISSION

July 16, 2004

VIA FEDEX

Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

**Re: City of Tacoma, Cowlitz River Project, FERC No. 2016
Settlement Agreement License Article 22, Consolidation of Land Ownership**

Dear Secretary:

Settlement Agreement License Article 22 of the above referenced license requires that *"Within one year of license issuance, the Licensee shall file with the Commission a report, prepared in consultation with the Forest Service, documenting Licensee's efforts to negotiate the transfer of Forest Service and other lands for the purpose of consolidating land ownership within the Cowlitz River Project area."* By letter dated September 26, 2003, FERC established July 18, 2003, as both the effective and issuance date of the license. This letter and the attached letters comprise the report. Enclosed are eight copies of this letter/report and attachments.

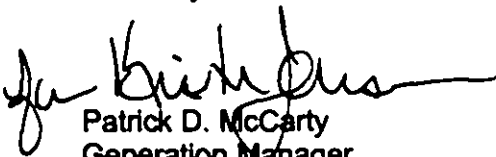
Discussions with the Gifford Pinchot National Forest (GPNF) staff and the staff of the Pacific Northwest Region of U.S Department of Agriculture - Forest Service started in 1999. At that time, GPNF staff and Tacoma Power met to discuss a land exchange or purchase. Little additional action occurred until March 2, 2001 when Tacoma Power sent a letter to GPNF renewing the proposal made in 1999 and asking for approval. The reply on April 5, 2001 by the Regional Forester, Pacific Northwest Region, indicated willingness to work with Tacoma Power to explore the idea of a land exchange. A meeting was conducted on June 12, 2001. Tacoma Power sent a further letter on June 18, 2001 to GPNF. GPNF reviewed Tacoma Power's proposal and declined to give up ownership of their parcel of land within the project area in a letter date October 5, 2001. Copies of the offer letters and the replies from GPNF are attached.

On June 4, 2004, Tacoma Power again queried GPNF to see if their position on a land exchange had changed (see attached letter from Debbie Young to Claire Lavendel). This letter also reiterated that Tacoma Power felt that *"pursuing purchase or exchange of this property is in the best interest of both of our agencies."* Lynn Burditt, Acting Forest Supervisor, GPNF responded in a letter dated June 15, 2004 that the position of GPNF had not changed and stated their reasons. This letter is attached. Tacoma Power will continue to check with GPNF in the future to ascertain if their position on disposing of this parcel has changed.

July 16, 2004
Page 2

If you have any questions regarding this submittal, please do not hesitate to contact Debbie Young, Natural Resources Manager, at (253) 502-8340 or Tom Martin, License Implementation Coordinator, at (253) 502-8298.

Sincerely,



Patrick D. McCarty
Generation Manager

Enclosures

cc: Federal Energy Regulatory Commission, Portland Regional Office
Claire Levendel, GPNF
John Roland, GPNF

CERTIFICATE OF SERVICE

Federal Energy Regulatory Commission

**Project No. 2016
Cowlitz River Hydroelectric Project
City of Tacoma, Tacoma Public Utilities (d.b.a. Tacoma Power)**

I hereby certify that I have this day served, by first class or electronic mail, the foregoing document on all parties of record to these proceedings in accordance with the Rules of Practice and Procedure.

Settlement License Article 22 – Consolidation of Land Ownership

Dated this 16th day of July, 2004



Thomas E. Martin
License Implementation Coordinator
Tacoma Power
P.O. Box 11007
Tacoma, WA 98411

- Orig. I Martin
cc D Young
C Swanberg



United States
Department of
Agriculture

Forest Service

Gifford Pinchot National Forest
(360) 891-5000
FAX (360) 891-5045

10600 NE 51st Circle
Vancouver, WA 98682
TTY (360) 891-5003

File Code: 5430/2770

Date: JUN 15 2004

Ms. Debbie C. Young
Natural Resources Manager, Tacoma Power
3628 South 35th Street
Tacoma, WA 98409

RECEIVED
JUN 17 2004

NATURAL RESOURCES

RE: Tacoma Power Cowlitz River Project
Your June 4, 2004 Letter

Dear Ms. Young:

Regarding Tacoma Power's interest in acquiring USDA Forest Service System lands within the Tacoma Power Cowlitz River Project boundary, Forest Service position has not changed from that stated in our letter of October 5, 2001. We believe it is in the public interest that Forest Service retains ownership of this parcel for the following reasons:

1. The parcel is contiguous to National Forest System land.
2. Cost to manage this parcel is no higher than other National Forest System land.
3. The authority to convey this parcel would be through a land exchange, which is a time consuming and costly process.
4. Forest Service ownership of this property affords the Forest Service authority under Section 4e of the Federal Power Act.

We will notify you, if we become interested in disposing of this parcel in the future. If you have further questions concerning our lands policy and procedures, please contact Vicky Wessling of my staff at (360) 891-5222.

Sincerely,

LYNN BURDITT
Acting Forest Supervisor

cc: vwessling
rfreeman
jroland



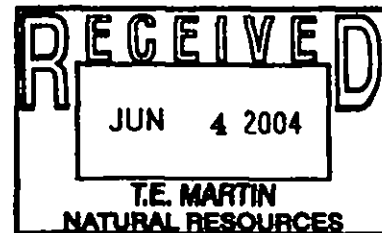


3628 South 35th Street
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

June 4, 2004

Ms. Claire Lavendel
Gifford Pinchot National Forest
10600 N.E. 51st Circle
Vancouver, WA 98682



**Re: Cowlitz River Project, FERC No. 2016
Settlement Agreement Article 22- Forest Service Report
Conveyance of Gifford Pinchot Parcel**

Dear Ms. Lavendel:

In a letter dated June 18, 2001, I wrote to you to express Tacoma Power's interest in purchasing or exchanging up to 5.1 acres of United States Forest Service (Forest Service) Gifford Pinchot National Forest lands within the Cowlitz River Project boundary. In your reply letter dated October 5, 2001, you stated that the Forest Service wanted to retain ownership of the parcel in question. I have attached copies of past correspondence for your convenience. Since that time, Federal Energy Regulatory Commission (FERC) issued the license for the Cowlitz River Hydroelectric Project by issuing an "Order Denying Rehearing and Lifting Stay" on July 18, 2003.

Article 22 of Appendix A of the above mentioned license states:

"Within one year of license issuance, the Licensee shall file with the Commission a report, prepared in consultation with the Forest Service, documenting Licensee's efforts to negotiate the transfer of Forest Service and other lands for the purpose of consolidating land ownership within the Cowlitz River Project area. The Commission reserves the right to require additional reports on the progress of such negotiations should they not be concluded within one year of license issuance".

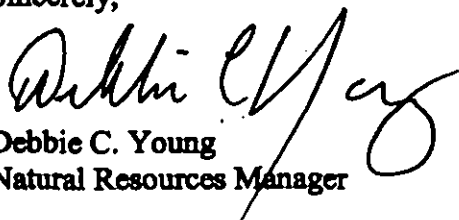
Since a discussion had taken place with your agency prior to license issuance as noted above, Tacoma Power is writing to confirm your previously stated position in order to comply with this license requirement. During a telephone call between Tom Martin and John Roland, John indicated that the Forest Service position on this matter has not changed. Therefore, I am requesting that you confirm, in writing, your previously stated position. This letter, along with the preceding letters, will be submitted to FERC as part of our report on this license article. Since our report to FERC is due July 18, 2004, we would like to receive your response by June 30, 2004. The letter can be sent to me at the address on the letterhead.

Ms. Claire Lavendel
June 7, 2004
Page 2

If, at any time in the future, the Forest Service decides to make this parcel available, Tacoma Power feels strongly that pursuing purchase or exchange of this property is in the best interest of both of our agencies. Please do not hesitate to contact Tom Martin or me with any questions on this matter. Tom can be reached at 253-502-8298 and via e-mail thomas.martin@cityoftacoma.org. I can be reached at 253-502-8298 and via e-mail dyoung@ci.tacoma.wa.us.

I look forward to your reply.

Sincerely,



Debbie C. Young
Natural Resources Manager

Enclosures

cc: Tom Martin (w/o enclosures)



United States
Department of
Agriculture

Forest Service

Gifford Pinchot National Forest
Forest Headquarters
360-891-5100
FAX 360-891-5045

10600 NE 51st Circle
Vancouver, WA 98682
TTY: 360-891-5003

File Code: 5430

Date: OCT - 5 2001

ATTN: Debbie Young
TACOMA POWER
3628 South 35th Street
Tacoma, WA 98409-3192

RE: Conveyance of Gifford Pinchot Parcel

Dear Ms. Young:

This is in response to your June 18, 2001, letter. I apologize for the delay in responding; however, it took time to meet with the necessary staff for input into your proposal of conveying the Federal parcel within the Cowlitz River Hydroelectric Project.

On September 26, we held a telephone conference with our Regional FERC Coordinator, Walt Dortch, and various members of my staff. Walt explained that the Forest Service position is to consider standard issues, such as public interest, isolation of tracts of public land, identifying the management objectives, and analysis of the economics of retaining or conveying National Forest land.

After discussing the proposal of conveying the 3± acres of Gifford Pinchot National Forest lands within the Cowlitz River Hydroelectric project, it was recommended that the Forest Service retain ownership of this parcel for the following reasons:

1. The parcel is contiguous to National Forest land.
2. Cost to manage this parcel is no higher than other National Forest land.
3. It appears to be in the public interest to retain this parcel in public ownership.
4. The authority to convey this parcel would be through a land exchange, which is time consuming and costly to process. Such a project could not be considered in the program of work within the next two to three years.
5. There is interest in retaining our "4e" authority in this FERC project.

Our resources are so limited that it is now difficult to evaluate new projects. Therefore, I cannot provide further consideration to this proposal at this time.

Sincerely,

CLAIRE LAVENDEL
Forest Supervisor





3628 South 35th Street
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

RECEIVED

June 19, 2001

JUN 20 2001

REAL ESTATE MGM

Harv Forsgren, Regional Forester
United States Forest Service
333 Southwest 1st Street
Portland, Oregon 97204

Dear Mr. Forsgren:

In a letter dated March 2, 2001, I wrote to express Tacoma Power's interest in purchasing or exchanging up to 32.5 acres of Gifford Pinchot and Olympic National Forest lands within the boundaries of the Cowlitz, Cushman and Nisqually Hydroelectric Projects (FERC Nos. 2016, 460, and 1862, respectively). On April 5, 2001, you replied, directing me to contact Bill Bliesner of your staff. On June 12, 2001, my staff and I met with Mr. Bliesner and others of your staff to discuss the proposed transaction.

Because some of the parcels included in the proposed transactions at Tacoma's Nisqually and Cushman Projects exceed the 10-acre threshold for transactions under the Small Tracts Act, these transactions have been temporarily put on hold. Your staff indicated it is likely the 10-acre threshold will soon be revised to 40 acres. Mr. Bliesner will keep us informed of the progress of this revision. In the meantime, Mr. Bliesner is consulting with your Office of General Counsel to get an opinion on whether the Forest Service is prohibited from exchanging its lands for other lands of comparable size but of greater value. He will get back to me soon with a legal opinion. The purchase or exchange proposed for lands at Tacoma's Cowlitz Project is proceeding separately.

Tacoma Power looks forward to going forward with a sale or exchange. If you have any questions, please contact me at (253) 502-8340.

Sincerely,


Debbie C. Young
Natural Resources Manager

Cc: William E. Bliesner, Vicky Wessling, Forrest Shoemaker, Everett White, Al Maza, Kyle Noble

Bcc: Toby Freeman, Garth Jackson, Cindy Swanberg, ~~Fred Lyons~~, Frank Frisk



3628 South 35th Street

Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

June 18, 2001

Claire Lavendel, Supervisor
Gifford Pinchot National Forest
10600 Northeast 51st Circle
Vancouver, WA 98682

Dear Ms. Lavendel:

In a letter dated August 18, 1999, I wrote to express Tacoma Power's interest in purchasing or exchanging up to 5.1 acres of Gifford Pinchot National Forest lands within the Cowlitz River Hydroelectric Project boundary (FERC No. 2016). On September 16, 1999, Toby Freeman and Ted Lyons of Tacoma met with Vicky Wessling of your staff to discuss this transaction. Although no further action has taken place until recently, our shared intent to complete this transaction was captured in proposed License Article 22 in Appendix A of the Cowlitz River Hydroelectric Project Settlement Agreement (August 2000).

The ratepayers of Tacoma Power own and operate the Cowlitz River Hydroelectric Project with the intent of providing reliable and reasonably priced electricity essential to the economic well-being of the modern communities it represents. In addition, the Project provides a diverse range of opportunities to the recreating public. Because hydroelectric project boundaries are established under the Federal Power Act, the lands in question are not only *suitable* for meeting the community purposes provided by a hydroelectric project, the lands are *required* to be used for project purposes, regardless of ownership.

Should ownership of the lands in question be transferred to Tacoma Power they will remain undeveloped within the Project boundaries and managed by the Washington Department of Fish and Wildlife as part of the Cowlitz Wildlife Area. Thus, no risk of resource damage or sanitary or public health problems will arise as a result of a land purchase or exchange.

As a small isolated tract, the lands in question are of little or no value for virtually any multiple-use activity authorized by the Forest Service. The lands are not "necessary for more important federal purposes," as their size and location within the Project boundary will exclude them from ongoing Forest Service multiple use programs. In addition, Section 24 of the Federal Power Act, 16 U.S.C. 818, restricts the use of federal land occupied by hydroelectric projects to power development purposes, further narrowing the opportunity for other uses. The purchase of these lands by Tacoma Power would relieve the Forest Service of the need to expend resources managing this small parcel.

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The purchase of the lands could be accomplished under either the Townsite Act or the Small Tracts Act. Our proposal for an exchange includes first making a revision to the Cowlitz River Hydroelectric Project boundary to exclude as much Forest Service land as possible, then simply exchanging the remaining 3.0 acres of Gifford Pinchot National Forest land within the revised Project boundary for other nearby lands that would be excluded from the Project boundary. This proposal was described and shown in handouts provided to Vicky Wessling of your staff at a meeting on June 12, 2001. The parcel proposed for exchange is timbered land, and adjacent to existing Forest Service ownership. As such it would represent an increased value to the Forest Service. Tacoma also would be willing to purchase the 3.0 acres within the Project boundary.

We look forward to proceeding with a sale or exchange, and I eagerly anticipate your call to me at (253) 502-8340 so that we may discuss the next steps to be taken.

Sincerely,



Debbie C. Young
Natural Resources Manager

Cc: V. Wessling, W. Bllesner

Bcc: T. Freeman, T. Lyons, C. Swanberg, F. Frisk



United States
Department of
Agriculture

Forest
Service

R6 Regional Office
Pacific Northwest Region

333 SW First Avenue (97204)
PO Box 3623
Portland, OR 97208-3623

File Code: 5400
Date: April 5, 2001

Ms. Debbie C. Young
Natural Resources Manager
Tacoma Power
3628 South 35th Street
Tacoma, WA 98409-3192

Dear Ms. Young:

Thank you for your letter concerning a proposal to exchange land between the Forest Service and the City of Tacoma/Tacoma Power (Tacoma). The proposal involves National Forest lands at Lake Cushman on the Olympic National Forest at Alder Lake on the Snoqualmie National Forest (which are managed by the Gifford Pinchot National Forest), and Riffe Lake on the Gifford Pinchot National Forest. These lands have been under Federal license to Tacoma for hydroelectric projects.

The Forest Service lands in the project areas have been inundated by the project reservoirs and now have little or no value for use and management as part of the National Forests. Since they have lost their character as part of the National Forest, it may be appropriate that they be conveyed out of Forest Service ownership. Past discussions on these lands have been positive and we believe that it may be in the public interest for the Forest Service to convey these parcels to Tacoma through a land exchange or sale. The Forest Service has authority to exchange the lands under the General Exchange Act of 1922 and the Federal Land Policy and Management Act of 1976, as amended. The land could also be sold or exchanged under the Forest Service Small Tracts Act of 1983.

Although previous discussions were positive, they did not result in any action being taken. This, we believe, was due to both the Forest Service and Tacoma having other higher priorities. You indicate that Tacoma has now completed its re-licensing applications on these projects, and that it would be a good time to pursue the exchange proposal. From the Forest Service standpoint, we are still involved in higher priority work and also may not be able to commit the staff and funding needed to work on the proposal at this time. We are, however, willing to further discuss the proposal. You should keep in mind that the Forest Service exchange process has many required steps, such as appraisal, public notices, and compliance with the National Environmental Policy Act (NEPA), and various other laws. It can be an expensive and time-consuming process and Tacoma would be expected to share in the costs of completing the exchange.

We have contacted the Lands staffs on the Olympic and Gifford Pinchot National Forests and asked them review your proposal. We would like to further discuss the proposal with you and provide additional details concerning the steps in the process and schedules. As you suggest, a meeting may be a good way to begin the process again and to address any questions and concerns. Please contact Bill Blicemer, Land Exchange Program Manager, at 503-808-2401 to discuss this matter further.

Sincerely,


HARV FORSGREN
Regional Forester





3628 South 35th Street
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

March 2, 2001

Hars Forsgren, Regional Forester
U.S. Forest Service
333 SW 1st Street
Portland, Oregon 97204

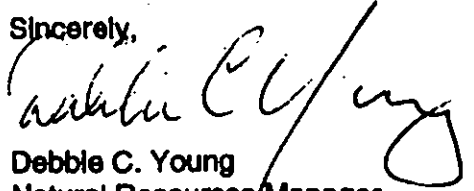
Dear Mr. Forsgren:

Subject: Land Exchange Between the U.S. Forest Service and City of Tacoma

The City of Tacoma, Department of Public Utilities, Light Division (dba Tacoma Power) recently filed an application for renewal of the federal license for its hydroelectric project on the Cowlitz River. This is the last of Tacoma Power's federal license applications, with the Nisqually and Cushman Projects recently receiving their new licenses. When the hydroelectric projects were originally constructed, Tacoma Power made a significant effort to assure that title was held to all effected lands, though a few small parcels of U.S. Forest Service land were inundated at each site, totaling about 32.5 acres. This was not a significant problem at the time, but the current licensing procedures make these unresolved land issues burdensome for both Tacoma Power and the Forest Service. Beyond the effort required for licensing, the Forest Service also has an ongoing responsibility for managing inundated lands within Tacoma Power's project boundaries that are of no value to the Forest Service.

With these license applications behind us, it would seem that this is an excellent opportunity to clear up our boundaries through a land exchange that would benefit both Tacoma Power and the Forest Service. Based on previous discussions with local Forest Service staff, Tacoma Power has developed the following proposal. Tacoma Power offers 31.5 acres of forest land in two parcels contiguous to Forest Service lands at the Cushman and Cowlitz Projects, in exchange for 32.5 acres of inundated lands at the Nisqually, Cushman and Cowlitz Projects. Detailed legal descriptions and maps are attached for your review.

Our early discussion on this matter was positive and constructive, but neither party was able to complete the process, due partially to complications with the project licensing process. With the licensing now completed, this would be an excellent time to finish what we have begun. To this point, the Forest Service has shown support for this exchange and Tacoma Power's intent on proceeding. As a first step in this renewed effort, please provide us with a letter describing the steps to be taken, a schedule for this process, and an affirmation of the support from the Forest Service. A meeting may help to answer any questions. We will call you to see if one can be arranged. Thank you for your support and efforts in this matter.

Sincerely,

Debbie C. Young
Natural Resources Manager

Enclosures

U.S.D.A. FOREST SERVICE LANDS PROPOSED FOR EXCHANGE

Lands on Lake Cushman:

- ◆ GOVERNMENT LOTS 2,3,4,5 AND 7, ALL IN SECTION 10 AND GOVERNMENT LOT 1, SECTION 15, ALL IN TOWNSHIP 23 NORTH, RANGE 5 WEST, W.M., IN MASON COUNTY, WASHINGTON AND ALL LYING BELOW ELEVATION 742 FEET (LAKE CUSHMAN DATUM). FOR REFERENCE PURPOSES OF THIS DESCRIPTION U.S.G.S. BENCHMARK "J-32 1929" = 741.6 FEET (LAKE CUSHMAN DATUM). SAID GOVERNMENT LOTS CONTAIN APPROXIMATELY 10.93 ACRES, MORE OR LESS, PER U.S. DEPARTMENT OF INTERIOR, B.L.M. SURVEY APPROVED SEPTEMBER 7, 1993.

Lands on Alder Lake:

- ◆ THAT PORTION OF THE FRACTIONAL NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 15 NORTH, RANGE 4 EAST, W.M., IN LEWIS COUNTY, WASHINGTON, SAID TRACT DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SECTION 21, TOWNSHIP 15 NORTH, RANGE 4 EAST, W.M.; THEN SOUTH 88° 03'53" EAST 347.44 FEET ALONG THE LINE COMMON TO SECTIONS 21 AND 28 OF SAID TOWNSHIP AND RANGE TO THE 1210 FOOT CONTOUR LINE AND THE TRUE POINT OF BEGINNING OF THIS DESCRIBED TRACT; THENCE ALONG THE 1210 FOOT CONTOUR THE FOLLOWING FIFTY FIVE (55) COURSES: SOUTH 35° 55'14" EAST 58.55 FEET, SOUTH 41° 24'29" EAST 86.88 FEET, SOUTH 36° 20'52" EAST 84.09 FEET, SOUTH 40° 20'02" EAST 83.10 FEET, SOUTH 47° 57'06" EAST 39.25 FEET, SOUTH 32° 51'35" EAST 35.23 FEET, SOUTH 67° 39'21" EAST 63.87 FEET SOUTH 56° 21'53" EAST 250.23 FEET, SOUTH 73° 48'26" EAST 69.53 FEET, SOUTH 42° 45'01" EAST 100.26 FEET, SOUTH 29° 02'31" EAST 92.52 FEET, SOUTH 25° 56'18" EAST 71.98 FEET, SOUTH 26° 55'30" EAST 64.41 FEET, SOUTH 17° 21'25" EAST 109.48 FEET, SOUTH 03° 20'49" EAST 68.11 FEET, SOUTH 23° 19'43" EAST 91.66 FEET, SOUTH 36° 52'50" EAST 58.03 FEET, SOUTH 46° 26'34" EAST 34.40 FEET, SOUTH 63° 29'15" EAST 91.38 FEET, SOUTH 73° 05'59" EAST 74.52 FEET, SOUTH 75° 24'51" EAST 52.02 FEET, NORTH 86° 51'22" EAST 78.99 FEET, SOUTH 71° 30'30" EAST 35.84 FEET, NORTH 89° 24'56" EAST 31.04 FEET, NORTH 78° 23'50" EAST 73.83 FEET, SOUTH 54° 53'02" EAST 43.34 FEET, SOUTH 39° 26'20" EAST 123.31 FEET, NORTH 24° 35'22" EAST 27.24 FEET, NORTH 15° 32'02" WEST 57.48 FEET, NORTH 28° 54'11" WEST 71.22 FEET, NORTH 52° 26'13" WEST 86.27 FEET, NORTH 83° 50'45" WEST 56.44 FEET, SOUTH 72° 20'23" WEST 73.75 FEET, NORTH 89° 43'19" WEST 51.47 FEET, NORTH 78° 15'48" WEST 80.69 FEET, NORTH 72° 57'40" WEST 65.32 FEET, NORTH 60° 09'18" WEST 53.84 FEET, NORTH 06° 28'03" WEST 62.48 FEET, NORTH 29° 19'01" WEST 38.58 FEET, NORTH 51° 13'00" WEST 53.41 FEET, NORTH 16° 33'47" WEST 44.94 FEET, NORTH 04° 14'25" WEST 81.69 FEET, NORTH 11° 45'22" WEST 86.94 FEET, NORTH 28° 39'20" WEST 81.06 FEET, NORTH 26° 27'07" WEST 78.45 FEET, NORTH 37° 36'58" WEST 53.22 FEET, NORTH 37° 14'07" WEST 96.92 FEET, NORTH 38° 30'42" WEST 84.83 FEET, NORTH 50° 17'52" WEST 48.21 FEET, NORTH 84° 43'01" WEST 52.74 FEET, NORTH 60° 19'44" WEST 97.83 FEET, NORTH 62° 12'49" WEST 95.77 FEET, NORTH 49° 42'14" WEST 81.55 FEET, NORTH 30° 53'22" WEST 98.93 FEET AND NORTH 39° 44'12" WEST 94.87 FEET TO A POINT ON THE LINE COMMON TO SAID SECTIONS 21 AND 28; THENCE NORTH 88° 03'53" WEST 194.69 FEET TO THE TRUE POINT OF BEGINNING, SAID TRACT CONTAINS 4.78 ACRES, MORE OR LESS. THIS DESCRIPTION IS BASED ON THE WASHINGTON COORDINATE SYSTEM SOUTH ZONE GRID (NAD 83/91) HAVING A COMBINED SCALE FACTOR OF 0.999865195. THE INTENT OF THIS DESCRIPTION IS TO INCLUDE ALL THAT PORTION OF SAID SECTION 28 LYING BELOW THE 1210 FOOT CONTOUR LINE. ANY AMBIGUITIES WHICH MAY ARISE BETWEEN THIS DESCRIPTION AND THE TRUE 1210 FOOT CONTOUR LINE SHALL YIELD TO THE 1210 FOOT CONTOUR LINE AS DESCRIBED BY N.G.V.D. 1929 DATUM. FOR REFERENCE PURPOSES OF THIS DESCRIPTION, PIERCE COUNTY PUBLIC WORKS BENCHMARK NO. 130-221 = 1234.98 FEET N.G.V.D 1929 DATUM. SAID TRACT CONTAINS APPROXIMATELY 9.49 ACRES, MORE OR LESS.
- ◆ THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 15 NORTH, RANGE 4 EAST, W.M., IN THURSTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: COMMENCING AT THE QUARTER CORNER COMMON TO SECTIONS 22 AND 23, TOWNSHIP 15 NORTH, RANGE 4 EAST, W.M.; THENCE NORTH 89° 10'14" WEST 1085.96 FEET ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 22 TO ANGLE POINT NO. 1 AND THE TRUE POINT OF BEGINNING OF THIS DESCRIBED TRACT; THENCE SOUTH 01° 12'45" WEST 383.92 FEET TO THE 1210 FOOT CONTOUR LINE AND ANGLE POINT NO. 2 MARKED BY A 2" STAINLESS STEEL PIPE WITH 3" BRASS CAP; THENCE ALONG THE 1210 FOOT CONTOUR THE FOLLOWING ELEVEN (11) COURSES: NORTH 81° 38'11" WEST 89.78 FEET, NORTH 46°

USDA, Forest Service Lands, Page 2

13°52' WEST 57.54 FEET, NORTH 83° 00'35" WEST 59.12 FEET, NORTH 79° 09'40" WEST 62.99 FEET, NORTH 79° 57'50" WEST 48.32 FEET, NORTH 61° 10'22" WEST 98.26 FEET, NORTH 54° 48'48" WEST 98.59 FEET, NORTH 83° 50'43" WEST 88.50 FEET, NORTH 72° 44'13" WEST 154.00 FEET, NORTH 76° 01'19" WEST 38.81 FEET AND NORTH 00° 38'02" EAST 77.03 FEET TO THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 22 AND ANGLE POINT NO. 13 MARKED BY A 2" STAINLESS STEEL PIPE WITH 3" BRASS CAP; THENCE SOUTH 89° 10'14" EAST 728.46 FEET ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER TO THE TRUE POINT OF BEGINNING. SAID TRACT CONTAINS 3.68 ACRES, MORE OR LESS. THIS DESCRIPTION IS BASED ON THE WASHINGTON COORDINATE SYSTEM SOUTH ZONE GRID (NAD 83/91) HAVING A COMBINED SCALE FACTOR OF 0.999849366. THE INTENT OF THIS DESCRIPTION IS TO INCLUDE ALL THAT PORTION OF THE SOUTHEAST QUARTER OF SAID SECTION 22 LYING BELOW THE 1210 FOOT CONTOUR LINE AND WESTERLY OF THE LINE FORMED BETWEEN ANGLE POINTS 1 AND 2 DESCRIBED ABOVE. ANY AMBIGUITIES WHICH MAY ARISE BETWEEN THIS DESCRIPTION AND THE TRUE 1210 FOOT CONTOUR LINE SHALL YIELD TO THE 1210 FOOT CONTOUR LINE AS DESCRIBED BY N.G.V.D. 1929 DATUM. FOR REFERENCE PURPOSES OF THIS DESCRIPTION, PIERCE COUNTY PUBLIC WORKS BENCHMARK NO. 130-221 = 1234.98 FEET N.G.V.D. 1929 DATUM. SAID TRACT CONTAINS APPROXIMATELY 3.68 ACRES, MORE OR LESS.

- ◆ THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 15 NORTH, RANGE 4 EAST, W.M. IN THURSTON COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT ANGLE POINT NO. 1 BEING THE QUARTER CORNER COMMON TO SECTIONS 22 AND 23, TOWNSHIP 15 NORTH, RANGE 4 EAST, W.M.; THEN NORTH 89° 10'14" WEST 1065.96 FEET ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 22 TO ANGLE POINT NO. 2; THENCE SOUTH 01° 12'45" WEST 983.92 FEET TO THE 1210 FOOT CONTOUR LINE AND ANGLE POINT NO. 3 MARKED BY A 2" STAINLESS STEEL PIPE WITH 3" BRASS CAP; THENCE ALONG THE 1210 FOOT CONTOUR THE FOLLOWING TWENTY THREE (23) COURSES: SOUTH 65° 03'12" EAST 30.51 FEET, NORTH 81° 19'10" EAST 65.89 FEET, SOUTH 65° 01'40" EAST 46.25 FEET, SOUTH 81° 12'10" EAST 77.30 FEET, NORTH 88° 19'36" EAST 75.86 FEET, NORTH 89° 41'18" EAST 88.13 FEET, SOUTH 62° 53'59" FEET, EAST 71.58 FEET, SOUTH 26° 32'36" EAST 110.83 FEET, NORTH 70° 29'44" EAST 70.67 FEET, NORTH 68° 43'15" EAST 36.90 FEET, SOUTH 26° 43'13" EAST 32.02 FEET, NORTH 24° 46'15" EAST 31.70 FEET, NORTH 88° 08'17" EAST 53.31 FEET, NORTH 84° 00'30" EAST 41.69 FEET, NORTH 81° 27'14" EAST 17.31 FEET, NORTH 03° 04'38" WEST 43.37 FEET, NORTH 21° 59'57" WEST 78.57 FEET, NORTH 42° 08'39" EAST 68.12 FEET, SOUTH 78° 34'36" EAST 49.09 FEET, SOUTH 35° 59'20" EAST 101.99 FEET, SOUTH 87° 49'58" EAST 92.70 FEET, SOUTH 78° 56'44" EAST 89.63 FEET AND NORTH 75° 44'33" EAST 41.55 FEET TO THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 22 AND ANGLE POINT NO. 28 MARKED BY A 2" STAINLESS STEEL PIPE WITH 3" BRASS CAP; THENCE NORTH 01° 13'49" EAST 67.36 FEET ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER AND THE LINE COMMON TO SECTIONS 22 AND 23 OF SAID TOWNSHIP AND RANGE TO A REFERENCE MONUMENT MARKED BY A 2-1/2" ALUMINUM PIPE WITH A 2-1/2" ALUMINUM CAP AS SHOWN ON THAT CERTAIN SURVEY BY E.G. BUTLER FOR THE U.S.D.A. FOREST SERVICE DATED OCTOBER 30, 1885, AND RECORDED DECEMBER 1, 1886 IN BOOK 21 OF SURVEYS PAGE 61 UNDER AUDITOR'S FILE NO. 8812010045, RECORDS OF THURSTON COUNTY, WASHINGTON; THENCE NORTH 01° 11'54" EAST 303.37 FEET ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER AND THE LINE COMMON TO SAID SECTIONS 22 AND 23 TO THE POINT OF BEGINNING. SAID TRACT CONTAINS 9.49 ACRES, MORE OR LESS. THIS DESCRIPTION IS BASED ON THE WASHINGTON COORDINATE SYSTEM SOUTH ZONE GRID (NAD 83/91) HAVING A COMBINED SCALE FACTOR OF 0.999849366. THE INTENT OF THIS DESCRIPTION IS TO INCLUDE ALL THAT PORTION OF THE SOUTHEAST QUARTER OF SAID SECTION 22 LYING BELOW THE 1210 FOOT CONTOUR LINE AND EASTERLY OF THE LINE FORMED BETWEEN ANGLE POINTS 2 AND 3 DESCRIBED ABOVE. ANY AMBIGUITIES WHICH MAY ARISE BETWEEN THIS DESCRIPTION AND THE TRUE 1210 FOOT CONTOUR LINE SHALL YIELD TO THE 1210 FOOT CONTOUR LINE AS DESCRIBED BY THE N.G.V.D. 1929 DATUM. FOR REFERENCE PURPOSES OF THIS DESCRIPTION, PIERCE COUNTY PUBLIC WORKS BENCHMARK NO. 130-221 = 1234.98 FEET IN N.G.V.D. 1929 DATUM. SAID TRACT CONTAINS APPROXIMATELY 4.76 ACRES, MORE OR LESS.

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Lands on Riffe Lake:

- ◆ GOVERNMENT LOT 5, SECTION 12, TOWNSHIP 11 NORTH, RANGE 5 EAST, W.M., IN LEWIS COUNTY, WASHINGTON, SAID TRACT CONTAINS 0.5 ACRES, MORE OR LESS.

- ◆ THE NORTH 150 FEET OF THE EAST 860 FEET OF GOVERNMENT LOT 1, SECTION 10, TOWNSHIP 11 NORTH, RANGE 5 EAST, W.M., IN LEWIS COUNTY, WASHINGTON, SAID TRACT CONTAINS 3.0 ACRES, MORE OR LESS.

CITY OF TACOMA LANDS PROPOSED FOR EXCHANGE

Lands on Lake Cushman:

- ◆ ALL THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 15, TOWNSHIP 23 NORTH, RANGE 5 WEST, W.M., IN MASON COUNTY, WASHINGTON LYING ABOVE ELEVATION 742 FEET (LAKE CUSHMAN DATUM). FOR REFERENCE PURPOSES OF THIS DESCRIPTION U.S.G.S. BENCHMARK "J-32 1929" = 741.5 FEET (LAKE CUSHMAN DATUM). SAID TRACT CONTAINS APPROXIMATELY 28 ACRES, MORE OR LESS.

Lands on Riffe Lake:

- ◆ THAT PORTION OF GOVERNMENT LOT 6, SECTION 11, TOWNSHIP 11 NORTH, RANGE 5 EAST, W.M., IN LEWIS COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID GOVERNMENT LOT 6; THENCE NORTH $0^{\circ}29'08''$ EAST ALONG THE WEST LINE THEREOF, 651.75 FEET; THENCE, SOUTH $33^{\circ}47'19''$ EAST 801.73 FEET TO A POINT ON THE SOUTH LINE OF SAID GOVERNMENT LOT 6 WHICH BEARS SOUTH $88^{\circ}10'14''$ EAST ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 6 TO THE POINT OF BEGINNING. SAID TRACT CONTAINS APPROXIMATELY 3.5 ACRES, MORE OR LESS.



3628 South 35th Street
Tacoma, Washington 98409-3192

TACOMA PUBLIC UTILITIES

August 18, 1999

Ms. Claire Lavendel
Forest Supervisor
Gifford Pinchot National Forest
10600 NE 51st Circle
Vancouver, WA 98682

Dear Ms. Lavendel:

The City of Tacoma, Department of Public Utilities, Light Division (dba Tacoma Power) is the owner and licensee of the Cowlitz River Hydroelectric Project (FERC No. 2016) located in Lewis County, Washington. Tacoma Power is in the process of extensive consultation in preparation for filing an application with the Federal Energy Regulatory Commission for a new license, as the current license expires December 31, 2001.

The purpose of this letter is to request that representatives of the U. S. Forest Service and Tacoma Power meet to discuss the possibility of exchanging or selling approximately four acres of Gifford Pinchot National Forest land located within the Project boundary, as required under the Federal Power Act. It would be most helpful to convene an initial meeting within the next 14 days.

Tacoma Power understands that a transfer of this land will involve a review of Forest Service rules covering small tracts, the Township Act, or other regulations applying to such transactions. We would like to discuss all options that may be available to implement a sale or exchange, and the reasons why Tacoma Power believes such a transaction would be in the public's interest. You may reach me at (253) 502-8340, or Mr. Toby Freeman at (253) 502-8862.

Sincerely,

Debbie C. Young
Natural Resources Manager

cc: Harry Cody, Cowlitz District Ranger

Copies to:
Mc, Mark, Cody,
Amy, Gail G.,
FRANK FRISK