

**The Cowlitz Restoration and Recovery (CRR) Fund
Implementation Plan
January 7, 2014**

I. Establishment of CRR Fund

The Licensee for the Cowlitz River Project (“Project”), Tacoma Power, consistent with Project License Article 3, established an interest bearing account in the amount of \$15 million in July 2008. Henceforth this account will be known as the Cowlitz Restoration and Recovery Fund (CRR Fund) and will be used for the purposes of protecting and promoting restoration and recovery of listed¹ upper Cowlitz River basin salmonid stocks.

II. Purpose, Use, and Administration of the Cowlitz Restoration and Recovery Fund

- A. The CRR Fund shall be used for the purposes of protecting and promoting the recovery of listed upper Cowlitz River basin salmonid stocks. It shall be used for resource projects that further these purposes and are not otherwise covered by specific resource protection, mitigation, and enhancement (“PME”) measures identified in the Project License or the Biological Opinion (BiOp).

Funded projects must be located in the Cowlitz River basin upstream of the mouth of the Toutle River. This includes the main stem Cowlitz River, river mouths of the tributaries below Mayfield Dam and the entire basin upstream of Mayfield Dam, consistent with the purpose of the Fund. Monitoring designed to assess, evaluate, or validate the implementation or effectiveness of the projects may comprise a part of the below-described potential projects. Such monitoring and studies should provide information that will assist the Cowlitz Fisheries Technical Committee (FTC) in making decisions regarding future habitat protection or restoration actions in the Cowlitz Basin. Resource projects funded by the CRR Fund are limited to (in no particular order):

- Land acquisition or lease of riparian, wetlands, and uplands. Funds may be used for locating appropriate parcels, purchase costs, purchase and title expenses, surveying, and ongoing restoration, monitoring, and management.
- Conservation easements. Funds may be used for locating appropriate parcels, establishment and acquisition of easements, surveying, and ongoing restoration, monitoring and enforcement.
- Riparian and wetland protection and enhancement. Funds may be used to protect riparian corridors and wetlands, provide for native species plantings, non-native plant species management, and erosion control, including planning, design, and monitoring.
- Habitat restoration projects. Funds may be used for habitat restoration projects that assist the recovery of upper Cowlitz River basin listed salmonid populations. For example, funds may be used for projects that improve or enhance fish habitat such

¹ Endangered Species Act listed.

as cover, pool and riffle structure, spawning beds, and water quality, including planning, design, and monitoring.

- Assessments of habitat and limiting factors. Funds may be used for an² assessment and prioritization of habitat and limiting factors associated with each species and life history stage on a site specific basis. Assessments should build on existing information³ to assess critical uncertainties and knowledge gaps to determine habitat needs and direct future restoration activities in the Cowlitz Basin.
- Other projects not described in the categories above may be funded upon consensus agreement of the FTC for projects that advance the goals/purposes described in section II. A.

B. Criteria and Priorities for Resource Project Approval and Restoration and Recovery Fund Expenditures

1. Consistency: Proposed resource projects must be consistent with Federal and State laws and policies in effect at the time the project is approved. Resource projects will be identified, approved, and funded in accordance with the criteria and factors described below and in Section II. A.
2. Timeline: Within six months after approval of the CRR Fund Implementation Plan by the Federal Energy Regulatory Commission (FERC), the FTC will develop a system to solicit and evaluate potential resource projects. The solicitation process and evaluation system must be approved consistent with FTC protocols.
3. Without otherwise limiting the incorporation of additional criteria, the evaluation system will use the criteria set forth in Section II. A. above and the following activities as listed in priority order.
 - a) Activities upstream of the Barrier Dam that will support the restoration and recovery of upper Cowlitz River basin listed salmonid populations.
 - b) Activities downstream of the Barrier Dam, to the mouth of the Toutle River, which provide matching funds that support cost sharing with other fund sources for the restoration and recovery of upper Cowlitz River basin listed salmonid populations.
 - c) Activities downstream of the Barrier Dam, to the mouth of the Toutle River, which will support the restoration and recovery of upper Cowlitz River basin, listed salmonid populations.
4. In determining whether a resource project meets the criteria, the FTC will consider all relevant information currently available including that gathered during habitat assessments of the Cowlitz River.

² An initial survey will be conducted in 2013. Future assessments may also be completed.

³ Washington 2010 Lower Columbia River Salmon Recovery and Fish & Wildlife Sub basin Plan, including habitat strategy. Lower Cowlitz River and Floodplain Habitat Restoration Project Siting and Design.

5. The evaluation system should also include consideration of the following factors that reflect the feasibility of proposed resource projects to achieve the purpose of the CRR Fund, as described in Section I.:
 - a. Whether the activity will provide long-term benefits or in the case of water right leases, for at least the length of the lease.
 - b. The anticipated benefits and costs of the project as compared to similar activities.
 - c. Whether the activity will be cost-shared with other funding sources.
 - d. The likelihood of project success and level of community support and/or participation.

C. Use of Funds

1. Decisions on the use of the CRR Fund, including any accrued interest, will be made by the FTC.
2. Any person or private or governmental entity, including the Licensee, may propose a resource project. In addition, the Licensee will solicit resource project proposals from any person or private or governmental entity. Conservation groups and others will be encouraged to initiate project proposals. Proposals will be considered so long as they are submitted consistent with the solicitation process and meet the criteria and prioritization set forth in this CRR Implementation Plan. The CRR Fund may also be used as a source of matching funds for proposed project grants requiring multiple funding sources.

D. Decision-Making Process

Decisions and meetings will be conducted consistent with FTC protocols.

E. Compliance with Laws and Regulations

All projects shall comply with federal, state and local laws and regulations. Notwithstanding the affirmative vote of an agency that is a FTC member, all resource projects approved and implemented through the CRR Fund must comply with applicable laws and are subject to the approval of any agency with permitting authority and/or jurisdiction over the site of the resource project. Such compliance will be a condition for implementing any Resource Project.

F. Administrative and Technical support

1. Tacoma shall provide administrative support for meeting summaries, record keeping and other CRR Fund management duties. Tacoma shall bear the cost of all reasonable administrative, legal and overhead costs associated with the management of the Fund, and shall not assess any such costs against the Fund.

2. The FTC may choose to conduct an independent audit of CRR Fund activities at any time. The cost of an independent review shall be borne by the CRR Fund.

G. Information and Education

The Licensee and the FTC will collaborate to provide public information communicating the benefits of projects undertaken under the auspices of the CRR Fund. The cost of providing such information to the public shall not be borne by the CRR Fund.

H. Implementation

The CRR Fund Implementation Plan will be implemented after approval by FERC. Annually, Tacoma will review progress made towards habitat protection and restoration measures and report its findings to the FTC. The FTC will annually evaluate and consider modifications to the eligibility criteria and the prioritization of potential projects to ensure that funds are being expended in a manner that achieves the purpose of the CRR Fund set forth in Section I.