



# Memorandum

January 29, 2013

To: Assembly, City & Borough of Sitka  
Jim Dinley, Municipal Administrator

From: Christopher Brewton, Utility Director

Subject: **Collection Agreement between USFS & CBS – Blue Lake Expansion Project**

I request Assembly approval of the attached Collection Agreement between the U.S. Forest Service and the City and Borough of Sitka. The CBS is required to mitigate for any impacts to USFS lands under Section 4(e) of the Federal Power Act.

This agreement is part of an overall Protection, Mitigation, and Enhancement (PM&E) plan that mitigates the impacts of inundating an additional 362 acres of USFS land due to the Expansion Project. PM&E measures are required by the Federal Energy Regulatory Commission order authorizing construction of the Project.

This agreement will provide annual funding of \$10,000 for a period of 10 years to fertilize Redoubt Lake to improve sockeye salmon habitat. Should the public access to this resource be restricted, or the fertilization program be discontinued, this agreement will terminate.

I recommend Assembly approval of this agreement in the amount of \$100,000 paid in ten (10) annual payments of \$10,000 each. Funding for this agreement will be provided from the Blue Lake Project CIP No. 90594.

Cc: Theresa Hillhouse, Municipal Attorney  
Dean Orbison, Generation Engineer  
Retha Winger, Contract Coordinator

FS Agreement No. 13-CO-11100531-504  
Cooperator Agreement No. \_\_\_\_\_

**COLLECTION AGREEMENT**  
**Between The**  
**CITY AND BOROUGH OF SITKA, ALASKA**  
**And The**  
**USDA, FOREST SERVICE**  
**TONGASS NATIONAL FOREST**

This COLLECTION AGREEMENT is hereby entered into by and between the City and Borough of Sitka, Alaska, hereinafter referred to as "Licensee", and the USDA, Forest Service, Tongass National Forest, hereinafter referred to as the "U.S. Forest Service," under the provisions of the Granger-Thye Act of April 24, 1950.

Background: The Blue Lake Hydroelectric Project No. 2230-044, issued on May 30, 2012, authorized by the Federal Powers Act and the Federal Land Policy and Management Act of October 21, 1976 (P.L. 94-579) established that the Licensee is responsible for the work addressed herein. This Agreement has been executed pursuant to the Order Amending License dated May 30, 2012.

Condition No. 19 – The City proposes to mitigate for recreating, subsistence, wildlife habitat, botanical resources, and aesthetic impacts associated with inundation of the Blue Lake Creek Valley.

Title: Redoubt Lake Fertilization - Blue Lake Hydroelectric Project

**I. PURPOSE:** The purpose of this agreement, and incorporated Financial Plan, is to document the voluntary contribution of funds from the Licensee to the U.S. Forest Service to directly fund the Redoubt Lake fertilization project in the amount of \$10,000.00 per year for 10 years as long as the fertilization project is continued and the public has access to the resource. Payment will be made to the Forest Service on an annual basis.

**II. THE CITY SHALL:**

- A. LEGAL AUTHORITY. The Licensee shall have the legal authority to enter into this agreement, and the institutional, managerial, and financial capability to ensure proper planning, management, and completion of the project, which includes funds sufficient to pay the nonfederal share of project costs, when applicable.
- B. Perform in accordance with the Financial Plan.
- C. Upon presentation of a Bill for Collection, deposit with the U.S. Forest Service the amount agreed to in the Financial Plan.



**III. THE U.S. FOREST SERVICE SHALL:**

A. ADVANCE BILLING. The U.S. Forest Service shall bill the Licensee prior to commencement of work for deposits sufficient to cover the estimated costs (including overhead) for the specific payment period. Overhead will not be assessed. The billing method will be annual lump sum bills.

Billing must be sent to:

City and Borough of Sitka  
100 Lincoln Street  
Sitka, AK 99835

B. Perform in accordance with the attached Financial Plan.

C. Apply annually dry pellet fertilizer to enhance lake nutrient levels reduced to the point that carrying capacity is affected by low sockeye salmon escapement. The lake ecosystem (biological and chemical features) are altered through the application of nitrogen and phosphorus.

**IV. IT IS MUTUALLY AGREED AND UNDERSTOOD BY AND BETWEEN THE PARTIES THAT:**

A. PRINCIPAL CONTACTS. Individuals listed below are authorized to act in their respective areas for matters related to this agreement.

**Principal Cooperator Contacts:**

<b>Cooperator Program Contact</b>	<b>Cooperator Administrative Contact</b>
Christopher Brewton 105 Jarvis Street Sitka, AK 99835 Telephone: (907) 747-1870 Email: chrish@cityofsitka.com	Retha Winger 105 Jarvis Street Sitka, AK 99835 Telephone: (907) 747-1882 Email: retha@cityofsitka.com

**Principal U.S. Forest Service Contacts:**

<b>U.S. Forest Service Program Manager Contact</b>	<b>U.S. Forest Service Administrative Contact</b>
Chris Leeseberg 204 Siginaka Way Sitka, AK 99835 Telephone: (907) 747-4343 Email: cleeseberg@fs.fed.us	Clay Davis 204 Siginaka Way Sitka, AK 99835 Telephone: (907) 747-4225 Email: clayrdavis@fs.fed.us



- B. **FOREST SERVICE LIABILITY TO THE COOPERATOR.** The United States shall not be liable to the Licensee for any costs, damages, claims, liabilities, and judgments that arise in connection with the performance of work by the U.S. Forest Service or its contractors under this collection agreement, including but not limited to fire suppression costs and damage to any property owned by the Licensee or any third party.
- C. **REFUNDS.** Funds collected in advance by the U.S. Forest Service, which are not spent or obligated for the project(s) approved under this agreement, may be refunded to the Licensee, authorized for use for a new agreement by the Licensee, or waived by the Licensee. A DUNS number and registration in the System for Award Management (SAM) by the Licensee may be necessary to process a refund. Due to processing costs, any balance less than \$25 shall not be refunded to
- D. **PUBLIC NOTICES.** It is the U.S. Forest Service's policy to inform the public as fully as possible of its programs and activities. The Licensee is/are encouraged to give public notice of the receipt of this agreement and, from time to time, to announce progress and accomplishments. Press releases or other public notices should include a statement substantially as follows:

"The Sitka Ranger District, Ecosystems Department of the U.S. Forest Service, Department of Agriculture," with support from the Alaska Department of Fish and Game has managed the Redoubt Lake Sockeye Salmon Project since 1999. The goal for the U.S. Forest Service Redoubt Lake project is to maintain large enough sockeye populations to sustain subsistence, sport and commercial fisheries. Redoubt Lake is considered the "Crown Jewel" of the Sitka Ranger District and its healthy fisheries provide a valuable resource to the local community, supplying and accessible and sufficient subsistence resource for Sitka residents.

The opening and closing of this subsistence fishery is based on the number of returning adult sockeye salmon that make it back to Redoubt Lake (i.e. escapement number). To obtain this escapement number the U.S. Forest Service operates a fish weir, which counts the number of returning salmon and allows for escapement projections. In collaboration with the Alaska Department of Fish and Game the U.S. Forest Service had identified that a minimum of 7,000 and maximum of 25,000 sockeye must return, each year, to Redoubt Lake in order to maintain a sustainable population. To help maintain this fishery when the projected returning number of adults fall below the minimum escapement is met the subsistence fishery is opened. If the projected number of returning adults exceeds the maximum number then the subsistence take is increased in order to prevent over-crowding on the spawning beds.

However, one of the primary factors thought to be influencing adult sockeye salmon returns is lake productivity. Limnological evidence indicates that Redoubt Lake is low in phosphorus and nitrogen, which may lead to low levels of zooplankton, the primary forage for juvenile sockeyes. Therefore, to improve juvenile sockeye production, the



objective of this project is to raise lake productivity by introducing a pharmaceutical grade fertilizer mixture of nitrate and phosphate. The process is known as a "bottom-up" effect. Increasing lake production will create more food for juvenile sockeyes and therefore enhance their survival and abundance. An increase in the number of juveniles migrating out into the ocean will boost the likelihood of more adults returning."

The Licensee may call on the U.S. Forest Service's Office of Communication for advice regarding public notices. The Licensee is/are requested to provide copies of notices or announcements to the U.S. Forest Service Program Manager and to the U.S. Forest Service's Office of Communications as far in advance of release as possible.

- E. FREEDOM OF INFORMATION ACT (FOIA). Public access to agreement records must not be limited, except when such records must be kept confidential and would have been exempted from disclosure pursuant to Freedom of Information regulations (5 U.S.C. 552).
- F. PARTICIPATION IN SIMILAR ACTIVITIES. This agreement in no way restricts the U.S. Forest Service or the Licensee from participating in similar activities with other public or private agencies, organizations, and individuals.
- G. ENDORSEMENT. Any of the Licensee's contributions made under this agreement do not by direct reference or implication convey U.S. Forest Service endorsement of the Licensee's products or activities.
- H. NOTICES. Any communication affecting the operations covered by this agreement by the U.S. Forest Service or the Licensee will be sufficient only if in writing and delivered in person, mailed, or transmitted electronically by e-mail or fax, as follows:

To the U.S. Forest Service Program Manager, at the address specified in the agreement.

To the Licensee, at the Licensee's address shown in the agreement or such other address designated within the agreement.

Notices are effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

- I. USE OF U.S. FOREST SERVICE INSIGNIA. In order for the Licensee to use the U.S. Forest Service insignia on any published media, such as a Web page, printed publication, or audiovisual production, permission must be granted from the U.S. Forest Service's Office of Communications. A written request must be submitted and approval granted in writing by the Office of Communications (Washington Office) prior to use of the insignia.



- J. U.S. FOREST SERVICE ACKNOWLEDGED IN PUBLICATIONS, AUDIOVISUALS, AND ELECTRONIC MEDIA. The Licensee shall acknowledge U.S. Forest Service support in any publications, audiovisuals, and electronic media developed as a result of this agreement.
- K. NONDISCRIMINATION STATEMENT – PRINTED, ELECTRONIC, OR AUDIOVISUAL MATERIAL. The Licensee shall include the following statement, in full, in any printed, audiovisual material, or electronic media for public distribution developed or printed with any Federal funding.

*In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.)*

**To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.**

If the material is too small to permit the full statement to be included, the material must, at minimum, include the following statement, in print size no smaller than the text:

*"This institution is an equal opportunity provider."*

- L. TERMINATION FOR COLLECTION AGREEMENTS. Either party, in writing, may terminate this agreement in whole, or in part, at any time before the date of expiration. The U.S. Forest Service shall not incur any new obligations for the terminated portion of this agreement after the effective date of termination and shall cancel as many obligations as possible. Full credit must be allowed for U.S. Forest Service expenses and all non-cancelable obligations properly incurred up to the effective date of termination. Excess funds must be refunded in accordance with the REFUND provision of this agreement.
- M. DEBARMENT AND SUSPENSION. The Licensee shall immediately inform the U.S. Forest Service if they or any of their principals are presently excluded, debarred, or suspended from entering into covered transactions with the Federal Government according to the terms of 2 CFR Part 180. Additionally, should the Licensee or any of their principals receive a transmittal letter or other official Federal notice of debarment or suspension, then they shall notify the U.S. Forest Service without undue delay. This applies whether the exclusion, debarment, or suspension is voluntary or involuntary.
- N. MODIFICATIONS. Modifications within the scope of this agreement must be made by mutual consent of the parties, by the issuance of a written modification signed and dated by all properly authorized, signatory officials, prior to any changes being performed. Requests for modification should be made, in writing, at least 30 days prior to implementation of the requested change.



O. COMMENCEMENT/EXPIRATION DATE. This agreement is executed as of the date of the last signature, and has an expiration date of December 31, 2022. The expiration date is the final date for completion of all work activities under this agreement.

P. AUTHORIZED REPRESENTATIVES. By signature below, each party certifies that the individuals listed in this document as representatives of the individual parties are authorized to act in their respective areas for matters related to this agreement. In witness whereof, the parties hereto have executed this agreement as of the last date written below.

JIM DINLEY, CITY ADMINISTRATOR  
City and Borough of Sitka, Alaska

Date

FORREST COLE, FOREST SUPERVISOR  
U.S. Forest Service, Tongass National Forest

Date

The authority and format of this agreement have been reviewed and approved for signature.

*Deanna Flemmer*

*1/25/13*

DEANNA FLEMMER, Grants Management Specialist  
U.S. Forest Service, Alaska Region  
13-CO-11100531-504

Date

Burden Statement

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0217. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.