

**OPERATION AND MAINTENANCE SERVICES
FOR
THE DWORSHAK SMALL HYDROELECTRIC PROJECT**

Contract Number CON0xxxx

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This Operation and Maintenance Services Contract (“Contract”) entered into between the IDAHO WATER RESOURCE BOARD (“Board”) and [REDACTED] (“Contractor”) is made in reference to the following facts:

- A. The Board is the owner and responsible for planning, financing, designing, and constructing, the Dworshak Small Hydroelectric Project.
- B. The Board has contracted out the operations of the Project to third parties since its commissioning in 2000.
- C. Water is supplied to the Project through the Clearwater Fish Hatchery (“Hatchery”) pursuant to the June 5, 2000 Memorandum of Understanding for the Use of the Clearwater Fish Hatchery Water Supply Lines for the Operation of the Dworshak Small Hydroelectric Project (“Hatchery MOU”) with the United States Fish and Wildlife Service (“FWS”).
- D. The Bonneville Power Administration (“BPA”) purchases all power generated by the Dworshak Small Hydroelectric Project pursuant to the April 30, 1990 Settlement and Contingent Power Purchase Agreement (“Power Agreement”).
- E. Clearwater Power Company (“CPC”) wheels the energy output from the Project to BPA pursuant to the January 19, 2000 Electric Power Wheeling and Maintenance Agreement (“Wheeling Agreement”).

The parties agree as follows:

1. Definitions

- A. “Contract Manager” shall mean Randy Broesch P.E. (telephone: (208) 287-4879, email: randall.broesch@idwr.idaho.gov) appointed by the Board to administer this Contract on behalf of the Board and includes, except as otherwise provided in this Contract, an authorized representative of the Contract Manager acting within the limits of their authority.
- B. “Contract Year” shall mean the 12-month period commencing on the Contract Date, and then each 12-month period thereafter.
- C. “Project” shall mean the Dworshak Small Hydroelectric Project located approximately one mile downstream of Dworshak Dam on the North Fork of the Clearwater River in Clearwater County, Idaho. The Project is licensed by the Federal Energy Regulatory Commission (FERC) as project no. 10819-002.
- D. “Project Coordinator” shall mean ([REDACTED]) (telephone: [REDACTED], email: [REDACTED]) appointed by the Contractor to administer this Contract on behalf of the Contractor and includes, except as otherwise provided in this Contract, an authorized representative of the Project Coordinator acting within the limits of their authority.

2. Attachments

The following documents are attached and incorporated to this Contract:

Attachment	Document
A	Scope of Services

B	Rates for Additional Services
C	Power Agreement
D	Wheeling Agreement
E	Hatchery MOU
F	Confidentiality Agreement

3. Services

A. Project Operation & Maintenance

- i. Contractor shall perform the project management, administration, operations, and maintenance services needed so the Project is safe and reliable. The Contractor is responsible for providing all activities and tasks as follows and as set forth in Scope of Services in Attachment A:
 - a. annual updates to the project safety manual
 - b. participating in operations transition (at the beginning and end of the contract term)
 - c. normal and routine maintenance
 - d. preventive maintenance/testing
 - e. Project repairs
 - f. documentation/record keeping.
- ii. Contractor shall not conflict or interfere with work conducted by employees of the Hatchery related to the Project. Pursuant to the Hatchery MOU, the FWS has the right to inspect the Project. Timely written notice of inspections will be provided to Contractor.
- iii. Contractor shall maintain a Public Works Contractor License pursuant to Idaho Code Title 54, Chapter 19.

B. Project Materials, Equipment, Tools, Supplies, Consumables, and Other Items

- i. The Board shall retain title to all materials, equipment, tools, supplies, consumables, and other items purchased or obtained by the Contractor solely for the Project.
- ii. The Contractor shall retain title to materials, equipment, tools, supplies, consumables, and other items purchased or obtained by the Contractor to be used for their purposes on this Project and other projects.

C. Additional Services

- i. The following activities and tasks are Additional Services not covered by the services in Section 3.A. The Contract Manager and Project Coordinator shall collaborate to identify which additional services need to occur and negotiate a cost proposal for the agreed upon additional services. Additional Services include but are not limited to:
 - a. capital improvements,

- b. upgrades to Project assets/componentry,
 - c. when planned or programmed maintenance occurs sooner than scheduled because of an urgent condition,
 - d. predictive maintenance/testing/inspection,
 - e. programmed major maintenance,
 - f. services for updating software or subscriptions,
 - g. materials, equipment, tools, supplies, consumables, and other items needed for the Project not covered by services in Section 3.A
 - h. unscheduled training for Clearwater Fish Hatchery
 - i. unscheduled/unplanned maintenance
 - j. Project emergencies.
- ii. Contractor shall provide the Board a detailed cost proposal for proposed Additional Services, based on Rates for Additional Services in Attachment B. Absent an emergency, Contractor must receive the Board's approval prior to commencing any Additional Services. If the Contractor performs any Additional Services without written authorization, the Board may refuse to compensate the Contractor for the work.

4. Limitations on Authority

Notwithstanding any provision in this Contract to the contrary, unless previously approved by the Board in writing, Contractor and any employee, representative, contractor or other agent of Contractor are prohibited from taking the following specified actions:

- A. Sell, lease, pledge, mortgage, convey, or make any license, exchange or other transfer or disposition of any property or assets of the Board, including any property or assets purchased by Contractor for exclusive use on the Project;
- B. Make, enter into, execute, amend, modify or supplement any contract or agreement (i) on behalf of, in the name of, or purporting to bind Board or (ii) that prohibits or otherwise restricts Contractor's right to assign such contract or agreement to Board at any time;
- C. Settle, compromise, assign, pledge, transfer, release or consent to the compromise, assignment, pledge, transfer or release of, any claim, suit, debt, demand or judgment against or due by, Board or Contractor related to the Project, or submit any such claim, dispute or controversy to arbitration or judicial process, or stipulate in respect thereof to a judgment, or consent to do the same;
- D. Create, incur or assume any lien upon the Project;
- E. Engage in any other transaction on behalf of Board or any other person or entity not expressly authorized by this Contract or that violates applicable Laws; or
- F. Enter into any agreement to do any of the foregoing.

5. Compensation and Invoices

- A. The Board will pay, and the Contractor shall accept a total annual operating fee of \$[], payable in monthly installments of \$[] to perform the Services in Section 3.A. The annual operating fee will be adjusted starting the first day of each Contract Year using the Idaho Department of Labor Consumer Price Index from the prior year (October to November) The percent change from year to year shall not be less than 0.00% or greater than 3.0%. []
- B. In addition to the fee provided for under Section 5.A, the Board will pay for Additional Services in accordance with the Rates for Additional Service in Attachment B.
- C. Contractor shall submit an invoice to the Board monthly covering both the monthly fee and any Additional Services.
- D. Invoices shall be mailed to IDWR Payable, PO Box 83720, Boise, ID 83720-0098 or emailed to idwrpayable@idwr.idaho.gov. The Contractor shall supply the following information on the invoice:
 - i. Billing date
 - ii. Contractor's name, address, and telephone number
 - iii. Contract number
 - iv. Itemized activities performed during the billing period, receipts for materials, and sub-contractors invoices
 - v. Total amount being billed for the billing period
- E. The Board will promptly process payment upon receipt of the complete invoice and the progress report in accordance with Idaho Code §67-2302 as amended.
- F. The Contractor agrees to continue with the operation and maintenance of the Project for ninety days after the expiration of this Contract, for the current monthly fee, should the procurement process for a new contract take longer than expected.

6. Limitation of Program Funds

- A. The Board cannot obligate funds prior to obtaining funding approval.
- B. The Board certifies that state funds are presently available and authorized for expenditure to pay the portion of costs which will accrue during the current state fiscal year.
- C. All obligations of the Board, including the continuance of payments under this Contract, are contingent upon the availability and continued appropriation of funds. In the event state funds become unavailable, as determined by the Board, the Board may immediately terminate this Contract or amend it accordingly. In no event shall the Board be liable for any payments in excess of approved or appropriated funds available for this project.

7. Term

This Contract shall take effect when both parties have signed it. The Contract Date will be the date the Contract is signed by the last party to sign it and shall continue in effect until [insert

date]. Upon mutual agreement by both parties, the Contract may be extended for an additional 5-year term. If either party wants to extend the Contract, that party shall provide the other party written notice no less than six months prior to the expiration date of this Contract.

8. General Termination Provisions

Upon expiration or termination of this Contract for any reason:

- A. The Contractor shall cooperate with the Board in the transfer of the operations of the Project to the Board or a new contractor of the Project designated by the Board. Without limiting the foregoing, the Contractor shall train personnel of the Board or the new contractor with information and data necessary for the safe and efficient operation and maintenance of the Project.
- B. In connection to transfer of operations and training, the Contractor grants to the Board a non-exclusive license to use all software, drawings, hardware, patents and other proprietary data that the Board deems necessary for the operation of the Project.
- C. The Contractor shall leave the Project in good operating condition, normal wear and tear excepted.
- D. The Contractor shall maintain insurance in accordance with the terms of this Contract until thirty days after the date the Contractor vacates the Project; provided, however, the Contractor shall not terminate or cancel any such insurance without providing forty-five days advance notice of such termination or cancellation to the Board.
- E. The Contractor shall without additional compensation, deliver to the Board all books, records, accounts, manuals, and Operating Procedures developed or maintained by the Contractor pursuant to this Contract. The Contractor shall provide the Board, without additional compensation, the non-exclusive right to continue to use any and all software, hardware, patents, and any proprietary information of Contractor that the Board deems necessary to operate the Project. Furthermore, the Board shall have the right to take possession, without additional compensation to the Contractor, of all of the equipment and supplies located at the Project for the purposes of operating the Project.
- F. The Contractor shall at the Board's request and at the Board's expense, on a time and materials basis:
 - i. assist the Board in preparing an inventory of all material, equipment, spare parts, and supplies in use or in storage at the Project;
 - ii. assign to the Board all subcontracts and other contractual agreements as may be designated by the Board; and
 - iii. remove from the Project all such equipment and supplies as the Board may request.

9. Termination for Convenience

- A. The Board may terminate for its convenience this Contract in whole or in part. In such event, the Board shall serve a written Notice of Termination for Convenience on the Contractor by deposit in the United States mail, as certified, return receipt requested with proper postage affixed. Notice of Termination for Convenience shall be deemed served upon its receipt.

- B. The Contractor shall not incur after the date of service of the Notice of Termination for Convenience any non-cancellable obligations, except as authorized in the written Notice of Termination for Convenience.
- C. If a termination for the convenience of the Board is effected, an equitable adjustment in the payments authorized in this Contract shall be made. Such adjustments shall provide for payment to the Contractor for services rendered prior to the effective date of termination of the Contract and for all non-cancellable obligations incurred prior to receipt of a Notice of Termination for Convenience.
- D. Within twenty days of receipt of a Notice of Termination for Convenience, the Contractor shall submit a summary detailing all completed work on service required by this Contract.
- E. In addition, the Board shall have the right to terminate this Contract upon thirty days' written notice without further liability if (a) the Board sells, transfers, conveys or otherwise disposes of the Project or (b) the Power Agreement is terminated.
- F. Contractor shall have the right to terminate this Contract without cause upon one hundred eighty days' written notice to the Board with no further liability other than compliance with Section 8, General Termination Provisions. Upon termination of this Contract by the Contractor under this section, the Contractor will be paid for services actually performed prior to the effective date of termination.

10. Termination for Default

- A. In addition to any termination of this Contract in accordance with Section 9, Termination for Convenience, either party may terminate this Contract in whole or in part because of the failure of the other party to fulfill its obligations. Prior to Terminating the Contract for Default, the terminating party must provide notice and a period to cure. A Termination for Default shall be sent by deposit in the United States mail as certified, return receipt requested. The effective date of termination for default shall be the date of receipt of the Notice of Termination for Default.
- B. Upon receipt of Notice of Termination for Default from the Board, the Contractor shall immediately discontinue all services affected. Oral notice of termination by the Board is effective when given, but in such a case, the Board shall confirm with written Notice of Termination for Default by deposit in the United States mail as certified, return receipt requested. The effective date of termination for default if no oral notice is given shall be the date of receipt of Notice of Termination for Default.
- C. If a termination for default is effected, the Board shall make an equitable adjustment in the payments authorized in this Contract. Such adjustments shall provide for payment to the Contractor for services rendered prior to the effective date of termination of the Contract and for all non-cancellable obligations incurred prior to receipt of a Notice of Termination for Default.
- D. The rights and remedies of the Board provided in this Contract are in addition to any other rights and remedies provided by law or under this Contract. Either party may declare a default by written notice, without the opportunity to cure, if the other party repeatedly and materially breaches the terms of this Contract.

- E. In the event of default, before either party may bring an action in any court, involving the interpretation and effect of the Contract, such party must first seek in good faith to resolve the dispute pursuant to Section 11, Dispute Resolution. If default occurs and is not resolved under Section 11, the injured party may elect to terminate this Contract and proceed with any equitable or legal remedies available under Idaho law. Unless the Board decides to suspend payments after notice to the Contractor, the Contractor shall continue to diligently perform all responsibilities under this Contract pending final resolution of the dispute.

11. Dispute Resolution

The Board and Contractor want this Contract to operate between them fairly and reasonably. If during the term of this Contract a dispute arises between the Board and Contractor, or a question of interpretation arises, then the Board and Contractor shall promptly confer and exert their best efforts in good faith to reach a reasonable and equitable resolution. Unless otherwise agreed in writing or except as provided herein, each party shall continue to perform its obligations under this Contract pending resolution of disputes.

12. Force Majeure and Suspension

- A. The term "Force Majeure" shall mean acts, events, or occurrences beyond the reasonable control of the Contractor or the Board which delay or otherwise prevent the Contractor or the Board from timely performing their respective obligations under this Contract (other than an obligation to pay money), including without limitation, fires; floods; epidemics; lighting; earthquakes; quarantine; blockade; governmental acts, orders or injunctions; war; insurrection or civil strife; strikes or labor disputes, provided however that strikes by any laborer employed by the Contractor at the Project, or lockouts or other labor disputes at the Project will not constitute Force Majeure events; sabotage; unusual delays in transportation; explosion; and any other similar events, but only events that are beyond the reasonable control of the Contractor or despite its prudent and diligent efforts to prevent, avoid, delay or mitigate such acts, events, or occurrences. Such acts, events, or occurrences shall not include those that are the result of willful or negligent actions or inactions of either party.
- B. Neither party shall be considered in default in the performance of its obligations under this Contract to the extent that the performance of any such obligation is prevented or delayed by any Force Majeure; provided however, that
- i. the suspension of performance is of no greater scope and of no longer duration than is necessarily caused by the Force Majeure and required by any remedial measures,
 - ii. no obligations of either party that arose before the occurrence of such causes are excused as the result of the occurrence,
 - iii. each party uses its reasonable efforts to remedy its inability to perform, and
 - iv. except to the extent otherwise provided in this Section 9, no obligation of the Contractor is excused to the extent such obligation can be performed or carried out by a person engaged by the Contractor.

- C. The party claiming Force Majeure shall give written notice to the other party of any Force Majeure within five (5) days' after the party claiming the Force Majeure has knowledge of such event. In the event the Contractor gives such notice, the notice shall specify the length of interruption of performance of obligations expected to be incurred by the Contractor by reason of such event and shall substantiate the same to the reasonable satisfaction of the Board. The party claiming Force Majeure shall provide the other party with periodic supplemental notices during the period that the Force Majeure continues. Such supplemental notices shall keep the other party informed of any change, development, progress or other relevant information concerning the Force Majeure event.
- D. The party claiming Force Majeure shall use diligent and prudent efforts to avoid and minimize the efforts of such Force Majeure, but the Contractor shall not be required to subcontract the services or to work additional hours for which premium time is payable or to schedule additional work shifts, if additional hours or additional shifts would not have been required prior to the occurrence of such Force Majeure.
- E. The Board by written notice may require the Contractor to suspend all or a portion of the Contractor's Services for a specified period of time. In the event the Contractor's Services are suspended by the Board or by an event of Force Majeure, the Contractor shall be relieved of any obligations under this Contract; to the extent those obligations are affected by such suspension. During the period of any suspension or event of Force Majeure, the Contractor shall minimize expenditures to control costs and activities of the Contractor during the suspension or event of Force Majeure.
- F. In addition to any other rights granted in this Contract, if at any time the Contractor fails to perform any obligation under this Contract which is not excused due to Force Majeure, the Board, without waiving any other rights or remedies it may have under this Contract or under applicable law, without notice to the Contractor, may perform or cause to be performed (including without limitation, by engagement of one or more third parties) any such obligation not performed by the Contractor. In such an event the Contractor shall permit any third party to perform such obligation and shall not interfere with the performance thereof. Such performance shall reduce any amount payable to the Contractor under Section 3; to the extent such reduction is reasonable.

13. Indemnification

- A. Contractor shall indemnify, defend, and save harmless the Board, its officers, agents, employees, and volunteers from and against any and all liability, claims, damages, losses, expenses, actions, settlements, attorneys' fees, and suits whatsoever caused by, arising out of, or in connection with Contractor's acts or omissions under this Contract or Contractor's failure to comply with any state or federal statute, law, regulation, or rule.
- B. Upon receipt of the Board's tender of indemnity and defense, Contractor shall immediately take all reasonable actions necessary, including, but not limited to, providing a legal defense for the Board, to begin fulfilling its obligation to indemnify, defend, and save harmless the Board. Contractor's indemnification and defense liabilities described herein shall apply regardless of any allegations that a claim or suit is attributable in whole or in part to any act or omission of the Board under this

Contract. However, if it is determined by a final judgment that the Board's negligent act or omission is the sole proximate cause of a suit or claim, the Board shall not be entitled to indemnification from Contractor with respect to such suit or claim, and the Board, in its discretion, may reimburse Contractor for reasonable defense costs attributable to the defense provided by any Special Deputy Attorney General appointed pursuant to Section 13.C.

- C. Any legal defense provided by Contractor to the Board under this section must be free of any conflicts of interest, even if retention of separate legal counsel for the Board is necessary. Any attorney appointed to represent the Board must first qualify as and be appointed by the Attorney General of the State of Idaho as a Special Deputy Attorney General pursuant to Idaho Code §§ 67-1401(13) and 67-1409(1).

14. Limitation of Liability

A. Environmental Liability

- i. Contractor shall not be responsible for claims directly or indirectly related to hazardous materials present at the Project before the date of this Agreement, except to the extent Contractor acted with respect to such materials in a grossly negligent manner. Board shall defend, indemnify and hold Contractor harmless against such claims, except to the extent such claims arise from Contractor's grossly negligent or intentional acts.
- ii. Board shall not be responsible for claims directly related to hazardous materials at the Project arising out of the grossly negligent or intentional acts of Contractor. This provision of the Agreement shall not be construed to require Contractor to take corrective action with respect to any hazardous materials at the Project before the date of this Agreement.
- iii. If action is required at the Project to comply with any applicable environmental laws during the term of this Agreement, Board (with Contractor's assistance) shall be responsible for the costs of compliance. Costs for such compliance action shall only be incurred by Contractor only with Board's prior written consent, unless a governmental authority requires Contractor to incur such costs and expenses prior to obtaining such written consent.

- B. Notwithstanding any provision in this Contract to the contrary, Contractor and Board each agree not to assert against the other any claim, demand or suit for consequential, incidental, indirect or special damages arising from any aspect of the performance or nonperformance of the other party or any third-party engaged by such other party under this Contract.

- C. In no event shall any official, officer, employee, or agent of the Board and the State of Idaho be personally liable for any representation, statement, covenant, warranty, or obligation contained in, or made in connection with, this Contract, express or implied.

15. Taxes

The Contractor, with respect to its employees and those of its subcontractors, if any, shall pay, indemnify and hold the Board and the State of Idaho harmless from the payment of all taxes and contributions imposed by federal and state laws, including social security taxes, with respect to

said employees and their remunerations, including all interest and penalties payable under said laws as the result of noncompliance therewith.

16. Workers Compensation Insurance

Unless the Contractor is exempt under the provisions of Idaho Code § 72-212, the Contractor warrants that it has purchased worker's compensation insurance for Contractor and all employees engaged in the performance of this Contract and shall provide the Board with a Certificate of Insurance to verify the same within 15 days of the execution of this Contract. The Contractor shall notify the Contract Manager within five days of any change in the status of its worker's compensation insurance.

17. Insurance

- A. Contractor shall obtain and maintain insurance at its own expense for the duration of the Contract with insurance companies properly licensed to do business in Idaho. The Contractor shall provide certificates of insurance or certified endorsements as applicable for the insurance required. Contractor shall provide a copy of the carrier's notice of cancellation or material changes within two days of the Contractor receiving notice from the carrier. All insurance, except for Workers Compensation and Professional Liability/Errors and Omissions, shall name the Board and the State of Idaho as Additional Insured.
- B. Contractor shall maintain insurance in amounts not less than the following:
 - i. Commercial General Liability on an occurrence basis to include premises and operations, personal and advertising injury, products and completed operations, liability assumed under an insured contract, and independent contractors. The limits of liability shall not be less than: \$1,000,000 each occurrence bodily injury and property damage; \$1,000,000 personal and advertising injury; \$2,000,000 general aggregate; \$2,000,000 products/completed operations aggregate. Coverage shall include additional insured status and a waiver of subrogation in favor of the State, its officers, directors, employees, agents, and volunteers.
 - ii. Automobile Liability including owned, non-owned, leased, and hired liability with a limit of not less than \$1,000,000 each accident and \$1,000,000 aggregate.
 - iii. Professional liability insurance covering any damages caused by an error, omission, or any negligent acts. Combined single limit per occurrence shall not be less than \$1,000,000 or the equivalent. Annual aggregate limit shall not be less than \$1,000,000.

18. Payment Bond

Pursuant to the Public Contracts Bond Act (Idaho Code §§54-1925 et. seq.), Contractor shall provide the Board a payment bond in the amount of 85% of the annual operating fee set forth in Section 5.A.

19. Relationship of the Parties

- A. The parties intend to create by the terms of this Contract, an independent contractor relationship between the Board and the Contractor.

- B. The parties do not intend to create by the terms of this Contract the relationship of employer and employee. Contractor's status under this Contract shall be that of an independent contractor and not that of an agent or employee of the State. Contractor shall be responsible for paying all employment-related taxes and benefits, such as federal and state income tax withholding, social security contributions, worker's compensation, and unemployment insurance premiums, health and life insurance premiums, pension contributions, and similar items. Contractor shall indemnify the Board and the State and hold them harmless from any and all claims for taxes (including but not limited to social security taxes), penalties, attorneys' fees, and costs that may be made or assessed against the State arising out of Contractor's failure to pay such taxes, fees or contributions.

20. Assignment of Benefits and Delegation of Duties

- A. The Contractor shall not delegate any duties under this Contract or assign any benefits, including any moneys due or to become due hereunder, without the prior written consent of the Board.
- B. In the event a delegation of duties or an assignment of benefits is approved by the Board, the Contractor shall remain responsible and agrees to bind every such delegate or assignee to comply with the terms and conditions of this Contract.

21. Waiver, Modification or Amendment

No waiver, modification, or amendment of this Contract or of any covenants, conditions, or limitations herein contained shall be valid unless in writing and executed by both parties. The parties further agree that the provisions of this section may not be waived, modified, or amended except as herein set forth.

22. Public Records

Pursuant to Idaho Code § 74-101, et seq., information or documents received from the Contractor may be open to public inspection and copying unless exempt from disclosure. The Contractor shall clearly designate each portion as "exempt" on each page of such documents and shall indicate the basis for such exemption. The Board will not accept the marking of an entire document as exempt. In addition, the Board will not accept a legend or statement on one page that all, or substantially all, of the document is exempt from disclosure. The Contractor shall indemnify and defend the Board against all liability, claims, damages, losses, expenses, actions, attorneys' fees, and suits whatsoever for honoring such a designation or for the Contractor's failure to designate individual documents as exempt. The Contractor's failure to designate as exempt any document or portion of a document that is released by the Board shall constitute a complete waiver of any and all claims for damages caused by any such release.

23. Rights in Data

- A. The Contractor agrees that all data, plans, drawings, specifications, reports, operating manuals, notes, and other written documents produced in the performance of this Contract or in contemplation thereof, are owned by and are for the exclusive use of the Board and are subject to the rights of the Board set forth in this section.

- B. The Board shall have the right to reproduce, publish, and use all such documents or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so.
- C. The Board agrees to identify the Contractor or designate appropriate authorship on all materials reproduced and published that are a direct product of the work performed under this Contract.

24. Retention of Records and Access to Facilities, Premises, and Records

- A. The Contractor shall establish and maintain project budget accounts and records for work and services required by this Contract in accordance with generally accepted accounting principles and practices. Records shall be retained by the Contractor throughout the term of this Contract and for a period of three years following final settlement.
- B. At all reasonable times during the term of this Contract and for a period of three years following final settlement, the Board, State of Idaho, and their authorized representatives shall have access at the Contractor's offices and to its records related to the services performed under this Contract for the purposes of inspection, audit, and copying by the Board, State of Idaho, and their authorized representatives.

25. Illegal Aliens

Contractor warrants it does not knowingly hire or engage any illegal aliens or persons not authorized to work in the United States; it takes steps to verify that it does not hire or engage any illegal aliens or persons not authorized to work in the United States; and, that any misrepresentation in this regard or any employment of persons not authorized to work in the United States constitutes a material breach of this Contract and shall be cause for termination.

26. Entire Agreement

This Contract sets forth all the covenants, provisions, agreements, conditions, and understandings between the parties, and there are no covenants, provisions, agreements, conditions or understandings, oral or written, between them other than are herein set forth.

27. Severability

If any part of this Contract is declared invalid or becomes inoperative for any reason, such invalidity or failure shall not affect the validity and enforceability of any other provision.

28. Survival

All covenants, conditions, indemnifications, and other elements in this Contract that might involve performance subsequent to any termination or expiration of this Contract or that cannot be reasonably ascertained or fully performed until after termination or expiration of this Contract shall survive. Survival of such terms shall not extend in violation of Article VII, Section 11 of the Idaho Constitution and Idaho Code §§ 59-1015 through 59-1017.

29. No Waiver

The failure by one party to require performance of any provision shall not affect that party's right to require performance at any time thereafter, nor shall a waiver of any breach or default of this Contract be construed as or deemed to be a waiver of any subsequent breach or default.

30. Effect of Section Headings

The section headings appearing in this Contract are not to be construed as interpretations of the text but are inserted for convenience and reference only.

31. Sovereign Immunity

Nothing contained in this Contract shall be considered a waiver of the State's sovereign immunity, which immunity is expressly reserved.

32. Governing Law

This Contract shall be governed as to validity, construction, and performance by the laws of the State of Idaho and the parties consent to the jurisdiction of the Idaho state courts. The venue of any action brought by any parties to this Contract shall be in a State of Idaho District Court.

33. Notices

All notices shall be in writing and sent certified mail, postage prepaid, return receipt requested to:

Idaho Water Resource Board
Attn: Purchasing Agent
PO Box 83720
Boise, ID 83720-0098

[Contractor]

34. No Third-Party Rights

Except in accordance with the terms of any assignment of this Contract made in accordance with Section 20, Assignment of Benefits and Delegation of Duties, this Contract shall not create in favor of, nor give any third party, any claim or right of action against the Board or the Contractor, its subcontractors, or their respective affiliates.

35. Duplicate Originals

This Contract is executed in duplicate. Each of the two documents with an original signature of each party shall be an original.

The parties have executed this Contract on the date following their respective signatures.

State of Idaho
IDAHO WATER RESOURCE BOARD
322 E Front Street
PO Box 83720

Boise, ID 83720-0098

Brian Patton
Executive Officer

Date

Date

DRAFT

Attachment A – Scope of Services

Definitions

All definitions and references in CONXXXX apply to this Scope of Services.

Project Management & Administration

- A. Project Coordinator will participate in team coordination meetings with the Contract Manager as requested by Contract Manager. (Contractor Time: 2 man hours per month)
- B. Billing and progress reporting will be prepared and submitted by Project Coordinator on a monthly basis.
- C. Project Coordinator will prepare and regularly maintain a schedule laying out the project activities in the coming year (Time: 2 man hours per quarter)
- D. Project Coordinator will manage the Scope of Services and Budget to meet the project deliverables.
- E. The Board is responsible for providing and paying for the following utilities and project costs:
 - a. Amerigas-Liquid Propane for the Generator
 - b. Bureau of Risk Management-Insurance for the Project
 - c. FERC Annual Payment-Annual cost associated with permit
 - d. Ziply Communications-2 phone services for the project
 - e. Qwest-Internet service for the Project
 - f. Remote PC-Service to provide remote access to the Project computer
 - g. Clearwater Power-Provides power to the Project
 - h. Tyco Fire & Security-Provides security services to the Project
 - i. Software Upgrades and Membership/Subscriptions for Project componentry

Deliverables: Monthly Invoicing, quarterly updated schedules

Operations

- A. **Operations Support to Board:** Contractor is responsible for managing all the processes, people, tools, and assets that are required for the Project to fully perform as it is supposed to, and maintain the effectiveness or efficiency of the project. Operations support will also include the day-to-day operations of the Project. It does not include capital improvements.
 - i. Project Coordination
 - 1. Project Coordinator will co-operate the Project with Clearwater Fish Hatchery (CFH) as it relates to controlling flow to the fish hatcheries. Project Coordinator shall regularly communicate and collaborate with the manager of the Clearwater Fish Hatchery (CFH) to understand and coordinate operations/maintenance activities associated with the Project.
 - 2. Project Coordinator shall coordinate operations and maintenance activities such as scheduled shut downs, unscheduled shutdowns, response to alarms,

and restarting of the Project with Clearwater Power Company (CPC) and the CFH as necessary.

3. In the event the Corps of Engineers (“COE”), Bonneville Power Association (BPA), CPC, or Idaho Department of Fish and Game (“IDFG”) proposes any changes to the operation of the Project, the Project Coordinator shall provide technical advice and written recommendations to the Contract Manager concerning the proposed change.
4. Project Coordinator shall keep the Contract Manager aware of all activities as needed on the Project.
5. Project Coordinator shall manage their sub-contractors and associated sub-contracts.
6. Project Coordinator shall coordinate with Contract Manager to have a kickoff meeting with the CFH, COE, and the US Fish & Wildlife Hatchery Staff. The purpose of the meeting is to introduce the parties to each other, discuss authorities, and identify critical operations between the parties and how to work on the Project.

ii. Annual Valve Exercise

1. Contractor shall have the Project Coordinator or other qualified representative present for the annual valve exercise conducted by the U.S. Army Corps.
2. **Deliverables:** Monthly memos to Contract Manager; Correspondence via phone, email, fax, or mailed correspondence.

iii. Access to Project

The Contract Manager and Project Coordinator shall provide access to the CFH consistent with the terms in the Hatchery MOU in Attachment E.

iv. Training

1. Contractor may select, train, and supervise qualified employees, and subcontractors in the operation and maintenance of the Project. The Contractor may delegate duties to such employees and agents, but no such delegation shall relieve the Contractor of its obligation to perform such duties, and the delegations of duties is subject to approval of the Contract Manager.
2. Contractor shall collaborate with CFH personnel, and Contract Manager to learn and identify any training protocols for the Project, such as addressing how to respond in an emergency shutdown of the Project. Any training protocols identified will conform to 29 CFR 1910.269; Occupational Safety and Health Standards – Electrical Power Generation, Transmission and Distribution.

3. The Contractor shall provide annual training to entities needing access to the Project. The purpose of the training will be to inform the entities of the operational procedures to follow in the event of a scheduled or unscheduled outage or disruption in service.
4. If training is required due to staff turnover at the entities needing access to the Project, the training shall be considered additional services beyond the scheduled annual refresher course.

v. Compliance Requirements

1. Good Utility Practice. The Contractor agrees to service the Project in accordance with Good Utility Practices. The term “Good Utility Practice” means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be a range of acceptable practices, methods, or acts.
2. Contractor is responsible for operating and maintaining the Project, and performing all duties in this Contract, in compliance with the applicable laws, rules, regulations, and orders of any court or other governmental authority, including standards of the United States Environmental Protection Agency, the Occupational Safety and Health Administration, the United States Federal Energy Regulatory Commission, the Corps of Engineers, The Bureau of Land Management, the Idaho Public Utilities Commission, the Idaho Division of Building Safety, and any and all other local, state, or federal regulatory agencies having jurisdiction over the Project. The Contractor shall not permit the Project to be used or operated in material violation of any law, rule, regulation or order.
3. Consistent with the Contractor operating the Project in accordance with Good Utility Practices, the Contractor will prepare a Project Safety Manual, which shall be submitted to the Contract Manager for review and approval no later than 90 days after the date of this Contract. Reclamation Safety and Health Standards (“RSHS”) shall be incorporated by reference in the Project Safety Manual and a copy shall be maintained in the powerhouse at all times. The Contractor is responsible for keeping the Project Safety Manual current with applicable safety standards and updated on an annual basis.

Deliverable: Project Safety Manual (90 days after the Contract Date).

4. The Contractor shall provide its experience and presence, as directed by the Contract Manager, so the Board can achieve compliance with the following documents, agencies, and standards:
 - a. Wheeling Agreement in Attachment D.
 - b. FERC license 10819-002.
 - c. Tour of the facilities for State of Idaho Department of Administration Risk Management.
 - d. Meet with State of Idaho Safety and Machinery Regulatory.
 - e. Power Agreement in Attachment C.
- vi. Operations Transition: Contractor will be responsible for assisting the Contract Manager with transitioning between operators at the beginning and ending of the contract term. Activities may include an on-site transition meeting, telephone conferences to schedule/plan meetings, and associated coordination to assist the Contract Manager.

B. Control of Flow for the Project Operations

- i. Flow control for the facility is managed and operated by the CFH. The Contractor is not authorized to adjust flow rates coming to and leaving the Project unless CFH has been contacted and CFH has authorized the change.
- ii. In the event maintenance activities require flows to be diverted from the turbines to the ported sleeve valves/distribution box and vice versa, the Contractor is responsible for maintaining continuous flows through the facility while maintenance activities are occurring. The CFH Manager will be notified at least 2 hours in advance of the flows being diverted.

Maintenance

- A. **Project Maintenance:** Consists of a controlled program of periodic inspection, adjustment, cleaning, lubrication, selective parts replacement of components, and minor repair, as well as performance testing and analysis intended to maximize the reliability, performance, and lifecycle of the system equipment. The Contractor shall service the project to keep spaces, structures and infrastructure in proper operating condition in a routine, scheduled, or anticipated fashion to prevent failure and degradation. The Contractor shall also provide the materials needed to maintain the overall facility for the Contract Term. Materials may include, but are not limited to, lubricating oil, gaskets, tools to clean the facility, software updates/upgrades, paint for the facility, and light bulbs.
 - i. Normal and Routine Maintenance & Minor Repairs - Cyclical, low cost planned work tasks funded in the Contract Year Low cost aging conditions such as rusting, chipped paint, chipped stucco, concrete crack repairs, pavement cracks, and

oxidized surfaces that could lead to more costly repairs, replacements, and maintenance activities will be accomplished with this task. Normal/routine maintenance excludes activities that expand the capacity of an asset, or otherwise upgrade the asset to serve needs greater than, or different from those originally intended. Tasks under this item include:

1. maintenance of the building above the distribution box and the assets located within it except for the **ported sleeve valves for the primary and secondary supply lines into the distribution box**
2. Cleaning air intake vents
3. custodial services and cleaning
4. pest control, snow removal, grounds care, landscaping, environmental operations
5. trash and recycling removal from the project
6. prepare daily field reports documenting the work occurred with each visit to the Project, and fill out the ledger located in the Project to document activities documented with each visit
7. Contractor shall conduct routine bi-weekly maintenance inspections of the Project's facilities, including all component parts of the flow control valves and turbines and fill out the maintenance checklist for the Project.

Deliverable: Daily Field Reports, Maintenance Checklist

- ii. Planned or Programmed Maintenance — regularly occurring maintenance tasks whose cycle exceeds one year. Examples of planned or programmed maintenance are transducer replacement/calibration, cable replacement, replacing switches, replacing equipment with equivalent parts, painting, flood coating of roofs, overlays and seal coating of roads and parking lots, pigging of constricted utility lines, and similar functions. The Project Coordinator shall work with the Contract Manager to develop an Operations Repair and Replacement Plan which will summarize the services for the various types of maintenance and repair levels and when they should occur.
- iii. Preventive Maintenance/Testing — schedule based maintenance tasks that are typically governed by equipment's time spent in service. It may also include replacing or maintaining essential equipment for continuous operation, or equipment that has high value or long lead times for ordering. The Contractor shall consult the Contract Manager when preventive maintenance may be advisable for various equipment and parts throughout the facility. Both parties will collaborate to schedule the preventive maintenance in the Operations Repair and Replacement Plan.
- iv. Predictive Maintenance/Testing/Inspection — routine scheduled activities occurring more than one year between testing or inspections to anticipate failure using specific tests and equipment, such as vibration analysis, thermographs, x-ray,

or acoustic systems to aid in determining future maintenance needs. The Contractor shall collaborate with the Contract Manager to prepare predictive maintenance procedures for the Project.

- v. Programmed Major Maintenance —those maintenance tasks whose cycle for occurrence exceeds one year and require an interruption in generating power or are major repairs/cleaning of critical equipment associated with generating power. Examples of programmed major maintenance are generator cleaning, turbine inspections, transformer repairs, and electrical equipment upgrades.
- vi. Project Coordinator and Contract Manager shall schedule an annual meeting to review the Operations Repair and Replacement plan to set annual budgets and schedule maintenance activities in the plan.

Deliverable: Annually Updated Operations Repair and Replacement Plan

- vii. Unscheduled/Unplanned Maintenance — Requests from the Contract Manager occurring in the current budget cycle for unscheduled system or equipment failures or repairs that are perceived to be functioning improperly. Activities may range from unplanned maintenance of a nuisance nature requiring low levels of skill for correction, non-emergency tasks involving a moderate to major repair or correction requiring skilled labor, emergency unscheduled work that requires immediate action to restore power production, remove problems that could interrupt activities, or to protect life and property.
- B. **Project Repairs**— Contractor shall perform the necessary work to return equipment to service after a failure, or to restore its operation and efficiency.
- i. Project repairs consist of restoration of a component in such condition that it may be effectively used for its designated purposes by overhaul, reprocessing, or replacement of constituent parts or materials that have deteriorated by action of the elements or usage and have not been corrected through maintenance.
 - ii. Routine Repairs — Actions taken to restore a system or piece of equipment to its original capacity, efficiency, or capability. Routine repairs are not intended to increase the capacity of the item involved.
- C. **Project Emergencies**
- i. Maintenance — Unscheduled work that requires immediate action to restore power production, remove problems that could interrupt activities, or to protect life and property in the Contract Year.
 - ii. Repairs —unscheduled repairs when a system or component has failed or is perceived to be working improperly. If the problem has created a hazard or involves an essential service, emergency maintenance may be necessary.

Conversely, if the problem is not critical, unscheduled/unplanned maintenance and repairs are applicable.

- iii. The Contractor shall make reasonable efforts to respond to notifications, from the Project's autodialer or CFH staff, of emergency conditions and take appropriate action within one (1) to three (3) hours of being notified of the emergency condition.

D. **Software Updates & Upgrades** will be in the Board's name, and the Contractor shall advise Contract Manager when routine updates to the software are necessary over the contract duration. The Project Coordinator shall notify the Contract Manager of necessary software upgrades or changes and seek authorization of funds to purchase the necessary software upgrades under Additional Services.

E. **Documentation, Record Keeping, & Reporting**

1. Document and report daily logs for all outages or failures and corrective actions taken.
2. Contractor shall generate a SCADA report three times per day documenting and recording the discrete alarms, primary unit details, secondary unit details, and plant details.
3. Contractor shall submit a **monthly** Operation Report to the Contract Manager for the Project which will include all status reports, inspection reports, trip reports, alarm reports, maintenance and repair records, correspondence relative to the Project, no later than ten (10) days after end of the month.
4. Contractor shall submit meeting minutes from annual trainings or on-site transition meetings and additional trainings no later than 10 days after the month in which it was conducted.
5. Contractor shall prepare, maintain, and distribute to CFH, CPC, U.S. Army Corps, and Contract Manager an updated emergency contact list once per year or in the event a contact person in the list is changed or contact information has changed.
6. Contractor shall prepare and update an Emergency Action Plan (EAP) as required by FERC.
7. Contractor shall prepare and maintain a Health and Safety Manual.
8. Contractor shall prepare and submit a weekly power generation preschedule to the Bonneville Power Association (BPA) by Friday at noon each week via fax or email (fax: (503) 230-5061; email: 3shift@bpa.gov)
9. Contractor shall provide a project correspondence file for each quarter.

Additional Services

Additional Services will be issued through a work order request authorized and negotiated by the Contract Manager and Contractor. When the scope of these services becomes certain, the Contract Manager and Project Coordinator will begin negotiating the costs to perform the scope of services.

Reference Data

- FERC License P-10819
- Guidance for Good Utility Practices
- USFWS MOA
- USACE MOA
- USACE Design Drawings for Pipeline and Distribution Box
- IWRB Small Hydro Project Design Drawings
- 2017 Emergency Action Plan
- CH2MHill Report for increased flows to CFH

Attachment B- Rates for Additional Services

(To be Attached with Final Contract)

Contract No. DE-MS79-90BP92888

SETTLEMENT AND CONTINGENT POWER PURCHASE AGREEMENT

executed by the
UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
 acting by and through the
BONNEVILLE POWER ADMINISTRATION

and the

STATE OF IDAHO
 acting by and through the
IDAHO WATER RESOURCE BOARD

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This SETTLEMENT AND CONTINGENT POWER PURCHASE AGREEMENT (Agreement),
executed as of April 30, 1990, by the UNITED STATES OF AMERICA (the
Government), Department of Energy, acting by and through the BONNEVILLE POWER
ADMINISTRATION (Bonneville), and the STATE OF IDAHO (the State), acting by and
through the IDAHO WATER RESOURCE BOARD (IWRB); Bonneville and IWRB hereinafter
sometimes are referred to individually as "Party" and collectively as
"Parties";

W I T N E S S E T H:

WHEREAS the Clearwater Fish Hatchery (CFH) located near Orofino, Idaho will be constructed beginning in the spring of 1990; and

WHEREAS water will be taken for the operation of CFH from the nearby Government-owned Dworshak Dam and Reservoir, which will result in a net electric power generation loss to the Federal Columbia River Power System (FCRPS); and

WHEREAS electricity hydrogeneration facilities can be designed for and constructed in the water supply system of CFH (which as defined in subsection 4(h) constitutes the "Project") to offset part of such net electric power generation loss to FCRPS; and

WHEREAS Bonneville believes that only the Government may develop and own the Project; and

WHEREAS IWRB believes the Project is available for non-Federal development, and has filed an application with the Federal Energy Regulatory Commission (FERC) for a preliminary permit to develop the Project; and

WHEREAS Bonneville and IWRB conducted settlement discussions during the autumn of 1989 and winter of 1989-1990 which resulted in the Parties signing a Letter of Intent, attached as Exhibit A to this Agreement; and

WHEREAS this Agreement implements the Letter of Intent; and

WHEREAS the State is authorized to obtain funds for the purposes set forth below in the Agreement pursuant to the provisions of Article 15, section 7 of the Idaho Constitution, Section 42-1734 of the Idaho Code, and 1990 Idaho Session Laws, Chapter 363; and

WHEREAS Bonneville acknowledges the record of involvement in the Project by IWRB, which enabled the development of minimum facilities for in-line power generation, including design and development work on the Project, submittal of a request for a FERC preliminary permit, and preparation to obtain legislative approval for revenue bonds to fund design and construction of the Project;

NOW, THEREFORE, the Parties hereto mutually agree as follows:

A. GENERAL PROVISIONS

1. Effective Date.

This Agreement becomes effective at 2400 hours on the last date the Parties have signed (Effective Date).

2. Term.

- (a) In the event that neither the Government nor the State is allowed to develop the Project, after all appellate rights, if exercised by either or both Parties, are exhausted, the Agreement shall terminate at 2400 hours on the last date all such appellate rights terminate.
- (b) In the event the Government is allowed to develop the Project, after all appellate rights are exhausted as is described in paragraph 11(b)(1), the Agreement shall terminate at 2400 hours on the date Bonneville pays IWRB under section 20 below.
- (c) In the event IWRB's permit application and license for the Project are upheld, after all appellate rights, if exercised by the Government, are exhausted, the Agreement shall terminate at 2400 hours on the date Bonneville makes its final payment to IWRB for energy and capacity under section 20 below.

- (d) All obligations incurred under this Agreement shall be preserved until satisfied.

3. Early Termination.

The provisions of this section 3 shall apply only in the event the State receives a preliminary permit from FERC to develop the Project.

- (a) Bonneville shall have the right, but not the obligation to terminate the Agreement, effective at 2400 hours on the date IWRB receives Bonneville's notice of termination, if any one or more of the following events occurs:
 - (1) Once IWRB has received a preliminary permit to develop the Project, IWRB subsequently loses its right to develop the Project; or
 - (2) IWRB fails to make timely application to the Corps for all agreements necessary to develop the Project; or
 - (3) IWRB fails to secure funding for the development of the Project no later than the latter of: (i) 90 days after IWRB receives the FERC license to develop the Project; or (ii) 90 days after the Parties receive the Government Department of the Treasury's final response to a request made under section 9(f) of the Pacific Northwest Electric Power Planning and Conservation Act for a ruling on whether the State may use Tax Exempt Bonds (as described in section 17 of the Agreement) to finance the Project; or
 - (4) IWRB fails to diligently pursue the design, construction, and testing of the Project as follows:

- (A) IWRB fails to obtain a preliminary design for the Project during the preliminary permit stage; or
 - (B) IWRB fails to let a contract for the construction of the Project no later than 12 months after IWRB receives a FERC license to develop the Project; or
 - (C) IWRB fails to interconnect the Project to the FCRPS and begin deliveries to Bonneville of the Project's electric capacity and energy no later than 2 years after IWRB receives the FERC license to develop the Project; or
- (5) IWRB fails to provide all of the capacity and energy output of the Project to Bonneville under section 16 below; or
 - (6) The Project is unable to generate due to a discontinuance of the water supply to the Project which is planned to last more than 24 consecutive months, or
 - (7) The Project is unable to generate due to the permanent cessation of CFH operations; or
 - (8) The Project at any time becomes infeasible for IWRB to either develop or operate.
- (b) If the Agreement terminates pursuant to subsection 3(a), IWRB agrees that no damages or liability shall be claimed, assessed, or imposed against Bonneville as a result of such termination.

4. Definitions.

The following terms, when used in this Agreement with initial capitalization, whether singular or plural, shall have the meanings specified.

- (a) "Calendar Week" means the week beginning at 2400 hours on Saturday, and ending at 2400 hours on the following Saturday.
- (b) "CFH" means the Clearwater Fish Hatchery.
- (c) "Corps" means the United States of America, Department of Defense, Department of the Army, Corps of Engineers.
- (d) "FCRPS" means the Federal Columbia River Power System, as that term is defined in subsection 1(a) of Exhibit F.
- (e) "FERC" means the Federal Energy Regulatory Commission, or its successor.
- (f) "Letter of Intent" means the letter executed by Bonneville and IWRB on January 31, 1990 concerning the settlement of the dispute over the development of the Project.
- (g) "Orofino" means the City of Orofino, Idaho.
- (h) "Project" means: (i) provisions within the CFH water supply system to accommodate development of hydroelectric power; and (ii) a powerhouse containing the necessary turbine(s)/generator(s) and appurtenant facilities; and (iii) transmission line with an interconnection into the FCRPS; and (iv) provisions within the CFH water supply system to provide for the future development of municipal and industrial water for Orofino, not to exceed 6 cubic feet per second.

(i) "Uncontrollable Force" means any act or event beyond the control of a Party which impairs the ability of the Party to perform, which by exercise of due diligence such Party could not reasonably have been expected to avoid, and which by exercise of due diligence it shall be unable to avoid. Uncontrollable Force includes, but it is not limited to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning and other natural catastrophes, epidemic, war, labor or material shortage, strike or labor dispute, or sabotage; and also includes restraint by an order of a court of competent jurisdiction or by regulatory authorities, against an action taken or not taken by a Party, after a good faith effort by the appropriate Party (i) to obtain relief from such order, or (ii) to obtain any necessary authorizations or approvals from any governmental agency or regulatory authority.

(j) "Workday" means each day which both Bonneville and IWRB observe as a regular day of work.

5. Exhibits.

Letter of Intent (Exhibit A), Project Plan of Delivery (Exhibit B), Operating Procedures (Exhibit C), Bonneville's Trial Technical Standards for Interconnection of Small Generating Resources to the BPA, as may be amended or replaced (Exhibit D), Bonneville Wholesale General Rate Schedule Provisions, or successor (Exhibit E), and General Contract Provisions (Exhibit F) are attached hereto and hereby made a part of this Agreement.

B. SETTLEMENT PROVISIONS

6. Ratification of the Letter of Intent.

The Parties hereby ratify the Letter of Intent, attached to this Agreement as Exhibit A; provided, however, when a provision in the

Letter of Intent conflicts with a provision found in the body of this Agreement, the latter shall prevail.

7. Project Design and Construction.

The Parties agree that the Project shall be designed and constructed either by the Corps, or by another entity to standards which would allow the Project to be interconnected with the FCRPS. The Parties also agree that the water supply serving CFH shall include sufficient water pipeline capacity to allow Orofino to take up to 6 cubic feet of water per second from the secondary pipeline for Orofino's municipal and industrial purposes, subject to a subsequent agreement between the Corps and any necessary party for costs related to the provision of water under the Water Supply Act of 1958 and other appropriate statutory authority applying to the Corps, and other matters between the Corps and Orofino.

8. IWRB Withdraws Opposition to Federal Development.

IWRB hereby agrees not to oppose Federal development of the Project. IWRB hereby agrees to make this position known in all relevant legislative, administrative, judicial and other proceedings, including, but not limited to FERC. The Parties agree to use their best efforts to obtain a FERC ruling on the issue of FERC jurisdiction over the Project. The Parties understand that IWRB will notify FERC that pending FERC's determination of FERC jurisdiction over the Project, IWRB assumes FERC has jurisdiction and, accordingly, IWRB will continue to pursue its application for a preliminary permit for the development of the Project.

9. IWRB's Notification of FERC.

IWRB shall submit a written notice to FERC precisely as follows:

Whereas applications have been filed for the right to develop the subject property; and whereas Bonneville has filed a motion that FERC lacks jurisdiction over the proposed Project;

Now therefore, IWRB hereby notifies FERC that IWRB does not oppose Bonneville's motion and claim that the Government's authorization to develop the Project withdraws FERC jurisdiction. Nevertheless, pending FERC's determination that it lacks jurisdiction over this Project, IWRB assumes FERC has jurisdiction and, accordingly, continues to diligently pursue its application for a preliminary permit and development of the Project. Nothing in this response by IWRB is intended to be a waiver of priority by IWRB in favor of any competing application for a preliminary permit for the Project.

10. IWRB's Releases the Government From Claims.

IWRB releases and forever discharges the Government, its agencies, employees, agents and assigns from any and all claims which have been, could have been, or might in the future be asserted against the Government, its agencies, employees, agents and assigns arising from or in any manner directly or indirectly connected with the rights to the development of the Project which forms the subject matter of this Agreement and claims of whatsoever nature directly or indirectly connected with IWRB's efforts to date for the planning and design of the Project.

11. Development of the Project.

Subsections 11(a), 11(b), and 11(c) are alternative scenarios. Therefore, each of the subsections of this section 11 shall operate to the mutual exclusion of the other two subsections.

(a) Neither Party Allowed to Develop the Project.

In the event that neither the Government nor the State is allowed to develop the Project, after all appellate rights, if exercised by either or both Parties, are exhausted, then this Agreement shall terminate as is specified above in subsection 2(a).

(b) Federal Development of the Project.

(1) If Federal development of the Project is upheld, after all appellate rights, if exercised, are exhausted, Bonneville agrees to compensate the State through IWRB in the amount of \$750,000, upon receipt of an invoice from IWRB, pursuant to the terms and conditions of section 20. Notwithstanding the provisions of Exhibit A, IWRB shall not appeal FERC's decision that the Project has been withdrawn for Federal development except to the extent necessary to preserve IWRB's priority in favor of any competing application for a preliminary permit for the Project. The Parties agree such payment is in recognition of IWRB's prior participation in the Project, including the expenditure of funds therefor, and for IWRB not opposing the Government's development of the Project, and for IWRB's satisfactory completion of its obligations under sections 8, 9, and 10 of this Agreement. Contingent upon IWRB fulfilling its obligations as specified above and in sections 8, 9, and 10, Bonneville shall pay IWRB pursuant to section 20 regardless of whether the Government ultimately develops the Project.

(2) The Parties agree Bonneville shall be the marketing agent for the Project's electric power as part of the FCRPS pursuant to BPA's enabling legislation including the

Federal Columbia River Transmission System Act (16 U.S.C. § 838 et seq. (1984)), the Bonneville Project Act (16 U.S.C. § 832 et seq. (1984)), P.L. 88-552 (the Pacific Northwest Preference Act, 16 U.S.C. § 837 et seq. (1984)), and the Pacific Northwest Electric Power Planning and Conservation Act (16 U.S.C. § 839 et seq. (1984)).

(c) State Development of the Project.

If the State's right to develop the Project is upheld, after all appellate rights, if exercised by the Government, are exhausted, then IWRB agrees to sell, and Bonneville agrees to purchase the Project's entire electric capacity and energy output (Power Output) from IWRB pursuant to the Contingent Power Purchase Provisions below. The Parties agree that once Bonneville has received the Project's Power Output, Bonneville shall be the marketing agent for such power as part of the FCRPS pursuant to BPA's enabling legislation, as is specified above in paragraph 11(b)(2).

C. CONTINGENT POWER PURCHASE PROVISIONS

12. Implementation of the Contingent Power Purchase Provisions.

Sections 12 through 19 of this Agreement shall be implemented and shall operate only in the event that the State's right to develop the Project is upheld, as is described above in subsection 11(c).

13. IWRB Development of the Project.

- (a) IWRB agrees to diligently pursue the development of the Project. To that end, IWRB agrees to make timely application to FERC for any necessary permit or license, and to take all other

actions necessary to obtain and keep alive both (i) the FERC permit and (ii) the later FERC license to develop the Project.

- (b) IWRB also agrees that the design, construction, testing, operation, and integration of the Project into the FCRPS shall be to standards acceptable to both: (i) the Corps; and (ii) Bonneville, consistent with both the provisions of Exhibit D, and similar electricity hydrogeneration projects integrated into the FCRPS.

14. Point of Delivery.

(a) Location.

The point in the vicinity of the Government's Dworshak Dam where the 115 kV facilities of the Corps and Bonneville are connected, or at another point to be mutually agreed upon by IWRB and Bonneville.

(b) Voltage.

In the event the State develops the Project, the Parties agree to provide for interconnection at a voltage to be mutually agreed upon during the Project's design phase, consistent with the provisions of Exhibit D.

(c) Metering.

- (1) In the event the State develops the Project, the Parties agree to provide for metering in IWRB's Project powerhouse, in the 13.2 kV circuit over which such electric power flows (Point of Metering). The Parties further agree to provide for metering equipment and other necessary provisions, to

be developed and mutually agreed upon during the Project's design phase, consistent with the provisions of Exhibit D.

(2) Exception.

Bonneville and IWRB shall make an adjustment for losses between the Point of Metering and the Point of Delivery.

15. IWRB Coordinated System Operation Obligations.

- (a) Not later than January 1 every year, IWRB shall submit to Bonneville annual amounts of Project energy it plans to deliver, in the format presented in Exhibit B.
- (b) Consistent with the provisions of Exhibit D, IWRB shall make best efforts to conclude an agreement with the Corps, acceptable to Bonneville, which will allow the Corps to approve the operation and integration of the Project into the FCRPS. IWRB shall make best efforts to enter into such agreement with the Corps no later than 6 months after the execution of this Agreement. Bonneville shall not unreasonably withhold its acceptance of the IWRB/Corps agreement. IWRB further agrees it shall make best efforts to conclude one or more agreements, acceptable to Bonneville, to provide for: (i) procedures during periods of transmission outages; (ii) the maintenance and calibration of metering equipment; (iii) the maintenance of hydrogeneration equipment and appurtenant facilities; and (iv) the maintenance of transmission and interconnection equipment and facilities. Bonneville shall not unreasonably withhold its acceptance of such agreement(s).

16. Project Electric Power Output.

Bonneville shall receive all of the Project's Power Output, both electric capacity and electric energy: (i) during the testing phase; and (ii) for 30 years after Bonneville accepts the Project for integration into the FCRPS, beginning at 2400 hours on the date IWRB receives Bonneville's notice accepting the Project as integrated into the FCRPS. The Parties agree that none of the Project's Power Output shall be used for station service, or to provide electric power service to CFH. Bonneville shall receive at no cost all of the Project's inadvertent power flow during the testing phase. After Bonneville accepts the Project as integrated into the FCRPS, Bonneville shall pay IWRB at the applicable rate specified below in section 19 for the Project's Power Output beginning at 2400 hours on the date Bonneville accepts the Project as integrated into the FCRPS. The Parties agree that once the Project's power enters the FCRPS, Bonneville alone shall determine how the Project's Power Output shall be used during both the test phase and the term for which Bonneville purchases the Power Output.

17. Bonneville Request for a Section 9(f) Ruling.

Notwithstanding the provisions of section 7(b) of Exhibit A and of section 6 of this Agreement, no later than 20 Workdays after the State receives a license from FERC to develop the Project, the Parties agree to develop mutually acceptable provisions concerning if and how a request shall be made to the Government's Department of the Treasury under section 9(f) of the Pacific Northwest Electric Power Planning and Conservation Act to assist the State to obtain Project financing through revenue bonds, the interest on which shall be exempt from Federal taxes (Tax Exempt Bonds).

18. Insurance.

(a) Mechanical Disabling Event or Transmission Interruption.

IWRB agrees to maintain insurance during the term of this Agreement to ensure that the proceeds of such insurance together with funds set aside by IWRB for Project maintenance and replacement costs shall be adequate to provide necessary Project repairs or replacement in case of (i) a mechanical disabling event which causes the hydropower facility to cease generating and supplying power for a reason unrelated to a discontinuance of the water supply to the CFH; or (ii) in case of a transmission outage or reduction in transmission capacity on the transmission portion of the Project extending more than 24 consecutive hours. IWRB further agrees to effect such repairs or replacement in a timely manner and to produce no less than the rated generation and transmission capacity which existed prior to the disabling event.

(b) Discontinuance of Water Supply.

The Parties agree that in the event IWRB is unable to generate electrical power from the Project because of a discontinuance of the water supply to the CFH, IWRB shall not be required during any such period of discontinued water supply to provide any electrical power to Bonneville for purchase under this Agreement, and Bonneville shall not be obligated to pay for power which it has not received. Once Bonneville has made its payment to IWRB pursuant to subsection 19(a) below, the Parties further agree that in the event the Project is later unable to generate electrical power because of a discontinuance of the water supply to the CFH, IWRB may keep the entire \$750,000 payment made by Bonneville for the right to receive the Project's Power Output pursuant to subsection 19(a) below.

19. Bonneville Payments to IWRB for the Project's Power Output.

(a) Bonneville One-Time Payment.

After Bonneville has accepted the Project as integrated into the FCRPS, Bonneville shall pay IWRB a one-time payment of \$750,000 for the right to receive the Project's Power Output for the 30 year term specified in section 16, which term begins at 2400 hours on the date IWRB receives written notice from Bonneville that Bonneville accepts the Project as integrated into the FCRPS. Acceptance of the Project as provided herein is an essential consideration of Bonneville's obligation both to make any payments for the right to receive the Project's Power Output and for such Power Output.

(b) Bonneville Payment for Project Power.

After Bonneville accepts the Project as integrated into the FCRPS, Bonneville shall pay IWRB for the Project's Power Output which Bonneville receives and meters at the point of interconnection during the 30 year term of the power purchase, which term begins at 2400 hours on the date IWRB receives written notice from Bonneville that Bonneville accepts the Project's output. Bonneville shall pay for the Project's Power Output based on measured Project energy which it receives, adjusted for losses between the Point of Metering and the Point of Delivery. The following rates are expressed in mills per kilowatthour (kWh), and comprise melded capacity and energy rates. Rates shall be calculated to the nearest tenth of a mill.

The Parties assume that the Project will not be able to deliver power to Bonneville prior to calendar year 1992. However, if the Project does deliver power to Bonneville prior to calendar year 1992, the Parties agree to use 97 percent of the applicable

rate indicated below in paragraphs 19(b)(1) and 19(b)(2) for calendar year 1991, and 97 percent of the applicable 1991 rate for calendar year 1990.

(1) Tax Exempt Bonds Energy Rate.

The provisions of this paragraph 19(b)(1) apply only in the event the State is able to finance the Project through Tax Exempt Bonds. The energy rate for metered power IWRB delivers to Bonneville at the point of interconnection during calendar year 1992 is 28.1 mills/kWh.

(2) Non-Tax Exempt Bonds Energy Rate.

The provisions of this paragraph 19(b)(2) apply only in the event the State is not able to finance the Project through Tax Exempt Bonds. The energy rate for metered power IWRB delivers to Bonneville at the point of interconnection during calendar year 1992 is 30.7 mills/kWh.

(3) Annual Adjustments Beginning January 1, 1993.

Beginning January 1, 1993, the energy rates specified in paragraphs 19(b)(1) and 19(b)(2) shall be adjusted as follows:

$$P_{\text{new}} = P_{\text{init}} * (1.03)^n$$

where P_{new} = The energy rates, as adjusted hereunder, to be effective each January 1 beginning with January 1, 1993;

P_{init} = The P_{init} energy rate shall be 28.1 mills/kWh in the event the Project is financed with Tax Exempt Bonds; and the P_{init} energy rate shall be 30.7 mills/kWh in the event the Project is not financed with Tax Exempt Bonds;

and n = the number of calendar years after 1992. Therefore, $n = 1$ for calendar year 1993; $n = 2$ for calendar year 1994; etc.

D. GENERAL PROVISIONS

20. Payment Procedures.

(a) IWRB Invoices.

IWRB shall request the payments described in paragraph 11(b)(1), and in subsections 19(a) and 19(b) by submitting monthly invoices in a form acceptable to Bonneville. Bonneville shall pay IWRB by the close of business on the thirtieth (30th) day after the date Bonneville receives each such invoice. Should the thirtieth (30th) day be a Saturday, Sunday, or holiday as observed by Bonneville, then the due date shall be the next following business day. Other provisions relating to the payment of bills specified in the General Rate Schedule Provisions attached to this Agreement as Exhibit E, or its successor General Rate Schedule Provisions, shall apply.

(b) Payment by Wire Transfer.

Payments in excess of \$25,000 shall be made by direct wire transfer of funds from the United States Treasury to IWRB's bank account, or to the account of IWRB's trustee bank. On the

initial such invoice, IWRB shall include the name and address of the bank, IWRB's bank account number or trustee bank account number, and the American Bankers Association 9-digit routing number. IWRB shall provide similar information on a subsequent invoice only if IWRB changes the bank account to which it wants payment to be made.

21. Environmental Compliance.

The Parties agree that the payment of any sum under this Agreement shall be contingent on the completion of the environmental review work as required by all applicable Federal and state environmental laws and regulations. The Government shall conduct the final review, including an analysis of the environmental review conducted by the State. The Parties further agree that any payment under the scenario described in subsection 11(c) shall be contingent on the Government's determination that the Project may be developed without violating the provisions of the National Environmental Protection Act.

22. Uncontrollable Force.

(a) Obligations of the Parties.

Obligations of the Parties, other than those to pay money, shall be excused when failure to perform such obligations is due to an Uncontrollable Force; provided, however, that if either Party is unable to perform due to an Uncontrollable Force, such Party shall exercise due diligence to remove such inability with reasonable dispatch. Nothing in this subsection 22(a) shall be construed to require either Party to settle any strike or labor dispute in which it may be involved.

(b) Notice.

Each Party shall notify the other as soon as possible of any Uncontrollable Force which may impair performance under this Agreement. Failure to give notice shall not be deemed a waiver of such Uncontrollable Force.

23. Assignment of Agreement.

Neither Party shall have the right to transfer or assign this Agreement or any part hereof without the prior written consent of the other Party; provided, IWRB may pledge or assign this Agreement, and all or a portion of the payments to be made thereunder by Bonneville, for the benefit of the holders of bonds issued by IWRB to finance the Project. Such prior written consent shall not be unreasonably withheld.

24. Notices.

(a) Notice.

Each Party shall notify the other as soon as possible if the Party believes the Project at any time becomes infeasible for the IWRB to either develop or operate.

(b) Unless the Agreement requires otherwise, any notice, demand or request provided for in this Agreement, or served, given or made in connection with it, shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by telegraph, or sent by telephone facsimile with a confirmed reception, or by acknowledged delivery, or sent by registered or certified mail, postage prepaid, to the persons specified below:

To IWRB: Director
Idaho Department of Water Resources and
for the Idaho Water Resource Board
1301 North Orchard
Boise, Idaho 83720

To Bonneville: The Administrator
United States Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

(c) Either Party may, by written notice to the other Party, change the designations or address of the person so specified as the one to receive notices pursuant to this Agreement.

25. Suspension of Payments.

Bonneville shall have the right to immediately suspend any payment due IWRB under this Agreement after notice to IWRB only in the event IWRB fails to deliver all of the Project's Power Output to Bonneville under the Contingent Power Purchase Provisions.

26. Disputes.

Pending resolution of a disputed matter, the Parties shall continue performance of their respective obligations pursuant to this Agreement. For a period not to exceed 6 months unless otherwise mutually agreed, the Parties shall discuss disputes regarding any matter relating to this Agreement, and shall use their best efforts to amicably and promptly resolve each such dispute. If the Parties have been unable to resolve a disputed matter as specified above, then each Party has the right to adopt any other remedies available under law.

27. Audits.

- (a) With regard to this Agreement and payments made under it, each Party shall reserve the right to audit and to examine any cost, payment, settlement or supporting documentation, including, but not limited to, audit reports resulting from any items set forth in this Agreement. Any such audit(s) shall be undertaken by either Party's representative(s) upon reasonable notice to the other Party and at reasonable times and in conformance with generally accepted auditing standards. The Party being audited agrees to cooperate fully with any such audit(s). The right to audit a cost shall extend for a period of 3 years following the first billing for such cost under this Agreement. The Parties agree to retain all records and documentation related to this Agreement prepared in the normal course of business for the entire length of this audit period. The Parties agree that all Project accounting and records shall be maintained in accordance with Generally Accepted Accounting Principles.
- (b) The Party being audited shall be notified in writing of any exception taken as a result of an audit promptly after completion of the audit. The Party being audited shall have 30 days to review the notice of exception.
 - (1) If the Parties agree upon any exception(s) found as a result of the audit, the owing Party shall directly refund the amount of such exception(s) to the other Party, with interest calculated in the same manner as in Bonneville's Wholesale Power Rate Schedules and General Rate Schedule Provisions, or its successor (Exhibit E) within 10 days after agreement is reached.
 - (2) If the Parties dispute any exception(s) taken as a result of the audit, the owing Party shall so notify the other

Party in writing promptly after its receipt of the written notification of exception. Such dispute shall then be subject to the provisions set forth in section 26. If upon resolution of the dispute, it is determined that a Party shall make payment to the other Party, such payment shall be made within 10 days of resolution of the dispute, with interest calculated in the same manner as set forth in Bonneville's Wholesale Power Rate Schedules and General Rate Schedule Provisions, or its successor, attached as Exhibit E.

28. Governing Law.

This Agreement shall be interpreted, governed by, and construed under Federal law.

29. Waivers.

Except as otherwise provided herein or as agreed by the Parties, no provision of this Agreement may be waived except as documented or confirmed in writing. Any waiver at any time by a Party of its right with respect to a default under this Agreement, or with any other matter arising in connection therewith, shall not be deemed a waiver with respect to any subsequent default or matter. Either Party may waive any notice or agree to accept a shorter notice than specified in this Agreement. Such waiver of notice or acceptance of shorter notice by a Party at any time regarding a notice shall not be considered a waiver with respect to any subsequent notice required under this Agreement.

30. Headings Not Binding.

The headings and captions in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Agreement.

31. Agreement of the Parties.

This Agreement represents the entirety of the agreement between the Parties, and the Agreement supersedes any prior written or oral agreements between the Parties.

32. Interpretation of Agreement.

The Parties agree that both Parties drafted this Agreement, and that if any ambiguities arise in the later interpretation of the Agreement, such ambiguities shall not be construed against either Party as the sole drafter of the Agreement.

33. Signature Clause.

Each Party hereto represents that it has the authority to execute this Agreement and that it has been duly authorized to enter into this Agreement.

34. Execution by Counterpart.

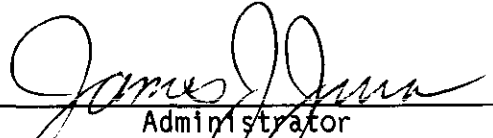
This Agreement shall be executed in several counterparts, and shall be deemed to constitute a single document with the same force and effect as if both Parties hereto, having signed a single counterpart, had signed all counterparts. IWRB shall deliver an executed

counterpart to Bonneville, and Bonneville shall prepare a conformed copy of this Agreement and deliver it to IWRB.

IN WITNESS WHEREOF, the Parties have executed this Agreement in several counterparts.

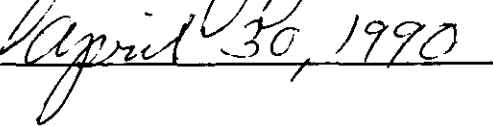
UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By



Administrator

Date



THE STATE OF IDAHO
Idaho Water Resource Board

By

Title

Date

(VS6-PMCE-4332c)

counterpart to Bonneville, and Bonneville shall prepare a conformed copy of this Agreement and deliver it to IWRB.

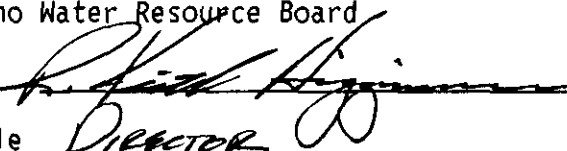
IN WITNESS WHEREOF, the Parties have executed this Agreement in several counterparts.

UNITED STATES OF AMERICA
Department of Energy
Bonneville Power Administration

By _____
Administrator

Date _____

THE STATE OF IDAHO
Idaho Water Resource Board

By 
Title DIRECTOR
Date 4/30/90

(VS6-PMCE-4332c)



Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

EXHIBIT A

January 29, 1990

SM

IN REPLY REFER TO

Keith Higginson
Director
Idaho Department of Water Resources and
for the Idaho Water Resource Board
1301 North Orchard
Boise, ID 83720

Dear Mr. Higginson:

Subject: Letter of Intent for Construction of Clearwater and Dworshak Fish
Hatcheries Generating Project and Related Matters

This letter is intended to serve as a Letter of Intent (the "Letter") to set out certain terms and conditions which were verbally agreed to with Wayne T. Haas and which will be more fully set out in a final agreement and supplemental documentation. It is understood that the increased capacity in the water supply line to allow the City of Orofino ("City") the option to acquire a future water supply will be provided for the City.

1. The project (the "Project") consists of a hydropower generation facility located in a water supply line serving the Clearwater Fish Hatchery. The Project will also provide and include sufficient water pipeline capacity to allow the City of Orofino to take, at a future date, up to 6 cubic feet per second from the secondary pipeline for its municipal purposes, subject to an agreement between the City and the Corps of Engineers (the "Corps") for costs related to the provision for water under the Water Supply Act of 1958 and other appropriate statutory authority applying to the Corps, and other matters between the Corps and the City. The generating facility will be designed and constructed by the Corps.

2. Bonneville Power Administration (BPA) acknowledges the record of involvement in this project by the Idaho Water Resource Board (IWRB) which enabled the development of minimum facilities for in-line power generation, including design and development work on the Project, submittal of a request for a Federal Energy Regulatory Commission (FERC) permit, and preparation to obtain legislative approval for revenue bonds to fund design and construction of the Project.

3. Subsequent to IWRB's permit application, BPA issued a formal determination to the Secretary of Army that the facility, which will mitigate the loss of generating capacity from the water diversion for the Clearwater and Dworshak Fish Hatcheries, is needed to meet the Federal Columbia River Power System (FCRPS) market requirements.

4. IWRB agrees not to oppose Federal development of the Project and to make this position known in all relevant legislative, administrative, court and other proceeding, including, but not limited to, the FERC. IWRB and BPA agree to use their best efforts to obtain a ruling by FERC on the issue of FERC jurisdiction over the proposed project. IWRB will notify FERC that pending FERC's determination of its jurisdiction over this project, IWRB assumes FERC has jurisdiction and, accordingly, continues to pursue its application for a preliminary permit for development of the project.

5. IWRB, upon execution of a final agreement implementing this letter of intent, will notify FERC in writing, at a future date to be coordinated with BPA, to the following effect:

Whereas applications have been filed for the development of the subject property; and whereas BPA has filed a motion that FERC lacks jurisdiction over the proposed project;

Now therefore, IWRB hereby notifies FERC that IWRB does not oppose BPA's motion and claim that the Federal government's authorization to develop the project withdraws FERC jurisdiction. Nevertheless, pending FERC's determination that it lacks jurisdiction over this project, IWRB assumes FERC has jurisdiction and, accordingly, continues to diligently pursue its application for a preliminary permit and development of the project.

6. IWRB releases and forever discharges the United States, its agencies, employees, agents and assigns from any and all claims which have been, could have been, or might in the future be asserted against the United States, its agencies, employees, agents and assigns arising from or in any manner directly or indirectly connected with the rights to the development of the Project which forms the subject matter of this agreement and claims of whatsoever nature directly or indirectly connected with IWRB's efforts to date for the planning and design of the Project.

7a. In recognition of IWRB's participation in the project, including the expenditure of funds therefore and for IWRB not opposing Federal development of the Project; if Federal development of the Project is upheld (after all appellate rights, if exercised by the State of Idaho, are exhausted), BPA agrees to compensate the State of Idaho through IWRB in the amount of \$750,000 subject to the terms and conditions to be agreed to in the final agreement implementing this letter of intent. The IWRB will receive payment under these terms whether the project is ultimately built by the Federal Government. BPA will be the marketing agent for the electric power as part of the FCRPS pursuant to BPA's enabling legislation including the Federal Columbia River Transmission System Act (FCRTSA), the Bonneville Project Act, the Pacific Northwest Preference Act and the Pacific Northwest Electric Power Planning and Conservation Act.

7b. As an alternative to paragraph 7a, if IWRB's permit application and license for the Project is upheld (after all appellate rights, if exercised by BPA, are exhausted), the State of Idaho agrees to sell the Project's entire capacity and energy output to BPA for a period of 30 years for 28.1 mills during calendar year 1992 and annually escalated on January 1 at a 3 percent rate. BPA agrees to pay the State of Idaho through the IWRB \$750,000 for this right contingent upon, and billable after BPA's acceptance of the Project's power for inclusion into the FCRPS and subject to additional terms and conditions to be agreed to in the final agreement implementing this letter of intent.

The terms provided under this paragraph are subject to IWRB being able to issue Federal tax-exempt revenue bonds. BPA agrees to request a ruling under Section 9(f) of the Northwest Power Act pursuant to the 9(f) methodology approved by the Treasury on February 26, 1984.

7c. In the event that IWRB is unable to issue Federal tax-exempt revenue bonds, the State of Idaho agrees to sell the Project's entire capacity and energy output to BPA for a period of 30 years for 30.7 mills during calendar year 1992 and annually escalated at a 3 percent rate. BPA agrees to pay the State of Idaho through the IWRB \$750,000 for this right contingent upon, and billable after BPA's acceptance of the Project's power for inclusion into the FCRPS and subject to additional terms and conditions to be agreed to in the final agreement implementing this letter of intent.

7d. In the event that Federal development is denied by FERC and a preliminary permit and/or license is granted to a party other than IWRB, no payment shall be made.

8. It is the position of BPA that it is authorized under the Bonneville Project Act and subsequent legislation to enter into this Letter and the final agreement with IWRB. IWRB is authorized to enter into this letter and the final agreement with BPA. The Director of the Idaho Department of Water Resources is authorized to execute the Letter on behalf of IWRB.

9. This letter of intent shall be null and void if terms and conditions are not agreed to in the final agreement implementing the letter of intent. BPA and IWRB are prepared to develop and execute the final agreement within 45 days of the acceptance of the terms and conditions of this letter of intent.

10. The parties agree to support and implement all the provisions of the final agreement.

Assuming that the foregoing provisions are acceptable, please sign the two copies of this Letter in the space provided below and return one copy in the envelope provided. If you have any questions regarding these matters, please call me at (503) 230-5121.

Sincerely,

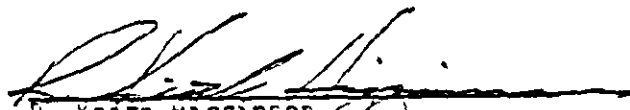


Richard L. Perlas
Project Manager

Agreed to and accepted this 31st day of January, 1990.

Idaho Water Resources Board

By:



R. Keith Higginson
Director, Idaho Department of
Water Resources

PROJECT PLAN OF DELIVERY

1. Monthly Amounts of Energy.

Year	/	1992	/	1993	/	1994	/	1995
Month								
August								
September								
October								
November								
December								
January								
February								
March								
April								
May								
June								
July								

This Exhibit will be revised each year upon IWRB's submission of new data.

2. Example, assuming 1995 Power Sale.

Upon IWRB's submittal of plans of delivery each year in accordance with subsection 15(a), Bonneville shall use such plans in its PNW Coordination Agreement planning. That is, the information from such submittals shall be included in initial, modified, and final coordinated system regulations.

At 2400 hours on July 31, 1995, or shortly thereafter, parties to the PNW Coordination Agreement determine reservoir elevations corresponding to the level of refill. If the system refills, Bonneville will use the most recent plan of delivery submitted by IWRB. If the system does not refill, the parties to the PNW Coordination Agreement will use the system capability associated with actual elevations to most closely match planning done in previous years (earlier 'Critical Periods'). This can be shown as follows:

<u>Critical Period</u>	<u>IWRB Plan of Delivery</u>
1995 - 1998 (refill)	year 1995 from 1995 submittal
1994 - 1997	year 1995 from 1994 submittal
1993 - 1996	year 1995 from 1993 submittal
1992 - 1995	year 1995 from 1992 submittal

If less than a 4 year Critical Period is ever used, there may be fewer than 4 alternatives to be considered.

(VS6-PMCE-4332c)

OPERATING PROCEDURES

Both Parties realize that not all of the operating procedures which will be required to implement this transaction have been established as of the Effective Date. During the term of the Agreement, the Parties agree to develop operating procedures as necessary to assist the implementation of the Agreement. Such procedures may include, but are not limited to, determination and verification of costs, additional operating procedures under various water conditions, additional scheduling procedures on a daily prescheduled, Calendar Week, and 10 day planning estimate basis, additional scheduling procedures in the event of transmission outages, establishing and exchanging information on Workdays, and operating procedures as may be necessary during periods of total and partial transmission outages.

These procedures shall be inserted into this Exhibit and shall in no way alter the substance or intent of any language contained in the body of the Agreement.

TRIAL TECHNICAL STANDARDS FOR INTERCONNECTION OF
SMALL GENERATING RESOURCES TO THE BPA
TRANSMISSION SYSTEM

December 27, 1989

TRIAL TECHNICAL STANDARDS FOR INTERCONNECTION OF
SMALL GENERATING RESOURCES TO THE BPA
TRANSMISSION SYSTEM

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December 27, 1989

TRIAL TECHNICAL STANDARDS FOR INTERCONNECTION OF
SMALL GENERATING RESOURCES TO THE BPA
TRANSMISSION SYSTEM'

INTRODUCTION

The Bonneville Power Administration (BPA) has prepared standards for the integration of small generating resources directly or indirectly connected to the BPA system. The purpose of these standards is to ensure the safe operation, integrity, and reliability of the BPA electrical system and of the facilities with which it is interconnected.

These standards are not intended as a design specification or an instruction manual. Many requirements, particularly the protective equipment and relaying, will need to be considered on a case-by-case basis because the BPA system is so varied.

It is important to remember that the physical laws which govern the behavior of electric systems do not recognize defined lines of electric facility ownership. Thus, for a well engineered interconnection, it is mandatory that the systems be studied and analyzed critically without regard to ownership. BPA will review the interconnection plans with the owner/operator of the small generating resource and any interconnected utility. Factors such as short circuit currents, transient voltages, stability requirements, prudent utility practices, safety, operations, and maintenance will be considered.

I. SCOPE

These standards cover small generating resources directly connected to the BPA system or to another utility's system which is directly connected to BPA's system. Based on these standards, the small generating resource and the interconnected utilities must demonstrate that generation on, or connected to, their system will not degrade the reliability and safe operation of the BPA system or another utility's system directly connected to BPA.

A. Definition

A small generating resource (SGR) is a generating resource which has a production capacity of 50 Megawatts or less of electric power.

B. Application of Codes, Policies and Laws

Installations shall be in compliance with the National Electrical Code (ANSI C1), National Electrical Safety Code (ANSI C2), Western Systems Coordinating Council and Northwest Power Pool minimum operating reliability criteria, State and local electrical codes, BPA Reliability Criteria, and the General Contract Provisions of the agreement between BPA and the SGR or interconnected utility, as applicable.

BPA will not interconnect a SGR until completing an appropriate decisionmaking process, which may include preparation of an environmental document under the National Environmental Policy Act (42 U.S.C. & 4321 et seq.). The owner of the SGR may be asked to prepare the environmental document for BPA, or to submit relevant environmental information, before BPA will decide whether to offer a connection.

BPA, in cooperation with the interconnected utility and the SGR, shall determine that the BPA system is properly protected from any problems or disturbances that occur on the SGR's system and that the operation of the SGR is safe and reliable with respect to the BPA system before an interconnection is closed and interconnected operation may begin. At its discretion, BPA may waive those requirements which can be met by equivalent measures to maintain the reliability and safe operation of the BPA system.

Each of the parties involved in a direct or indirect connection of an SGR to the BPA System is responsible for the design, construction, reliability, protection, and safe operation of its own system.

Design of the SGR facilities should be supervised by a Registered Professional Engineer.

C. Interconnection Point

The interconnection point is that point on the BPA system where the facilities of the SGR or the transferring utility are connected with BPA. (The nominal voltage at the interconnection point will normally be at the lowest voltage available at that point.)

The term "interconnection point" is used in a general sense in these standards. The term is used somewhat differently in small resource wheeling agreements. The wheeling agreements define the "Point of Integration" as the point where the project output is made available to BPA, while the "Point of Interconnection" is the point where the developer makes the project output available to a third party utility so it can be wheeled to BPA.

II. PERFORMANCE STANDARDS

The SGR (owner) shall mitigate complaints such as audible noise, radio, television and telephone interference and voltage fluctuations caused by the SGR.

Each party involved in the connection of the SGR shall design, construct, operate, maintain, and use its facilities in conformance with prudent utility practices.

A. Electric Disturbances

Each party shall:

1. Minimize the effect of all electric disturbances such as, but not limited to:
 - a. an abnormal flow of power which may interfere with the interconnected electric systems;
 - b. the transient overvoltages that occur during ground faults.
2. Minimize the degradation of the reliability of the interconnected electrical system.

B. Voltage Regulation and Power Factor

1. The nominal high-side voltage of the SGR's step-up transformer shall be the same as the nominal or agreed upon voltage of the Interconnection Point for SGR's directly connected to the BPA system.
2. The SGR shall impose no restrictions on BPA's capability to operate within a system voltage range of five percent above or below nominal for voltages equal to or less than 25-kV, and 10 percent above or below nominal for voltages greater than 25-kV.
3. Synchronous generators shall:
 - a. Be rated at 0.95 power factor or lower, lagging and leading.
 - b. Coordinate with voltages as scheduled by BPA within the reactive capability of the machine. Design and operation of voltage regulators shall be coordinated with other voltage and reactive control equipment on the system.
4. Induction generators or groups of induction generators shall have a suitable reactive power supply to maintain a power factor that is acceptable to BPA and the other interconnected utilities. If the SGR induction generators can be self-excited during fault conditions, the SGR must provide protective relaying to promptly trip the generator.
5. Inverters or groups of inverters shall have a suitable reactive power supply to maintain unity power factor, or other power factor that may be acceptable to BPA and other interconnected utilities.

C. Voltage Flicker

The SGR shall limit to acceptable levels the production of voltage fluctuations (flicker) at the interconnection point.

D. Harmonics Requirements

The SGR shall limit to acceptable levels the production of total harmonic current distortion (THCD) and individual harmonic current distortion injected or coupled into the interconnected system. Harmonic current distortion is defined as the ratio of the rms value of the harmonic current to the rms value of the fundamental alternating current.

The harmonic current distortion of the SGR supplied power shall be limited to the levels indicated below:

<u>Individual Harmonic (h) Current Distortion, %</u>				<u>THCD, %</u>
<u>$h < 9$</u>	<u>$9 \leq h < 23$</u>	<u>$23 \leq h < 35$</u>	<u>$35 \leq h$</u>	
4.0	1.5	1.0	0.5	5.0

These values are for long term operation. For short term testing, and startup, these values may be exceeded. A level of 50% higher current distortion will be allowed for up to one hour.

Exception to these requirements will be considered on an individual basis.

E. Phase Unbalance

Generators shall not cause phase current unbalance greater than 10 percent.

F. Speed/Frequency Control/Damping

1. Speed governors shall be provided when the SGR is to be used to supply loads while operating in isolation from a power system synchronizing source.
2. Speed governors shall be designed and adjusted:
 - a. so that they do not react to cause frequency and power swings to develop during normal system conditions, and
 - b. so that any swings that do occur during system disturbances are well damped.

III. GENERAL REQUIREMENTS

A. Safety and Operation

All BPA and customer switchgear that could be opened, leaving equipment energized by the SGR, must be visibly marked so that all maintenance crews are aware of the potential hazard.

A switch shall be provided that physically and visibly opens the integrating circuit to the SGR. The device:

1. Must simultaneously open all phases to the SGR.
2. Must be accessible by BPA personnel at any time without notice to the SGR and without restricted access.
3. Must be lockable in the open position by BPA.

BPA personnel may lock the switch in the open position:

1. If it is necessary for the protection of maintenance crew personnel when working on de-energized circuits.
2. If the SGR's equipment presents a hazardous condition.
3. If the SGR's generating equipment interferes with the operation of the BPA transmission system.

B. Inspection, Test, Calibration, and Maintenance

The SGR owner has full responsibility for the inspection, testing, calibration and maintenance of the SGR generating and protection equipment.

Drawings, specifications, maintenance records and test records of SGR equipment pertinent to interconnected operation shall be made available to BPA and any interconnecting utility. In some instances, certain tests may be required by BPA. The type of test and required results will be determined by BPA on an individual basis.

Inspection, test, and calibration of the SGR generating and protection equipment shall be completed before initial operational acceptance and subsequently on a periodic basis. Maintenance intervals shall be based on prudent utility practice.

C. Grounding

Grounding requirements shall be in compliance with the National Electrical Code and any applicable State and local codes. Adequate station grounding shall be provided by the SGR.

If there is any possibility during normal or outage conditions of the SGR energizing an ungrounded system in the event of a disturbance on the connected BPA transmission line, the SGR must provide a grounding current source to the BPA system. In some instances, a fault detection scheme using three potential transformers may be substituted for the grounding current source, subject to approval by BPA.

In all cases the protection schemes and equipment necessary for the protection of the BPA system shall be approved by BPA. (See Section IV Protection Guidelines.)

D. Metering and Telemetering

The following revenue metering requirements apply to an SGR with which BPA has a contract to purchase or wheel its generated power.

1. The revenue metering shall be specified by BPA.
2. Specific revenue metering requirements will depend on contractual constraints, wheeling arrangements, designated point of delivery, scheduling requirements, and other factors (see Section F).
3. Metering requirements for an SGR will be the same as for any similarly sized BPA point of interconnection. This includes the overall metering scheme, the type of equipment used, and the overall metering accuracy for metering purposes. Required metering could include: recording three-phase kW-hours, kVAR-hours, KW demand and an RMS (Revenue Metering System) remote, complete with a surge-protected telephone line. Potential transformers and current transformers shall be 0.3% accurate metering class accuracy for the burden of the metering circuit. It may also include automatic data acquisition (telemetering) for scheduling, operating reserve responsibilities and/or billing requirements, Automatic Generation Control (AGC) and two-way metering.
4. At BPA's election, these devices may be owned, operated, and maintained by BPA.
5. Calibration of metering shall occur periodically. All parties may witness calibration.

E. Isolating and Synchronizing

The SGR shall not energize a BPA line that is de-energized unless the energization is specifically approved by the BPA dispatcher.

Whenever a disturbance occurs on the BPA system, interconnecting utility, or the SGR system, the disturbance must be isolated before equipment damage occurs.

If, for any reason, the system source is disconnected from the SGR (fault conditions, line switching, etc.), the switching device connecting the SGR to the system must open and not reclose until approved by the BPA dispatcher.

The SGR shall synchronize its equipment to the BPA and/or interconnected utilities' system.

The SGR shall clear its generator before the normal system reclosing time. The SGR shall not reclose out of synchronization with the BPA and/or interconnected utilities' system.

F. Scheduling

BPA's Power Supply and Scheduling Division will define scheduling requirements on an individual basis. The SGR operators shall adhere to these requirements.

G. Underfrequency/Voltage Relays

Relays must not trip the SGR for major system disturbances but must allow the generator to ride through system frequency and voltage transients.

In order to meet these requirements, the following relay settings are required.

<u>Relay Type</u>	<u>Setting/Delay</u>
1. <u>Undervoltage</u>	0.8 pu or above - 2 second delay minimum 0.75 pu - 0.8 sec. delay minimum 0.7 pu - 0.25 sec. minimum Below 0.7 pu - no restrictions on setting or delay
2. <u>Overvoltage</u>	1.2 or below - 2 second delay minimum 1.25 - 0.8 second delay minimum 1.3 - 0.25 second delay minimum above 1.3 - no restrictions on setting or delay
3. <u>Underfrequency</u>	59.5 Hz or above, 10 minutes min. trip 59.0 Hz - 4 minutes minimum trip 58.5 Hz- 1.2 minutes minimum trip 58.0 Hz- 0.3 minutes minimum trip 57.5 Hz- 0.06 minutes minimum trip 57.0 Hz- or below-no restrictions
4. <u>Overfrequency</u>	60.5 Hz or below - 10 minutes 61.0 Hz- 4 minutes 61.5 Hz- 1.2 minutes 62.0 Hz- 0.3 minutes 62.5 Hz- 0.06 minutes 63.0 Hz or above - no restrictions

IV. PROTECTION GUIDELINES

The protective devices (relays, instrument transformers, circuit breakers, etc.) required to protect BPA's or an interconnected utility equipment shall be specified by BPA, the SGR, and the interconnecting utility. At BPA's election, these devices may be owned, operated, and maintained by BPA. The settings of the protective devices shall be jointly agreed to by BPA, the SGR, and the interconnecting utility. The interconnected utility is fully responsible for the protection of all of its own equipment associated with the interconnection. The SGR shall protect its generator and all of its associated equipment from any and all disturbances or malfunctions.

The BPA system is so varied that there is no one single plan of service typical of all cases. The complexity of the protection required must be determined for each project. The following factors will influence the protection scheme:

1. The output (MVA) and the machine characteristics of the generator.
2. The electrical size of the SGR with respect to the load served by the transformer connected to the BPA system.
3. System protection requirements at the interconnection point and elsewhere on the system as a result of the interconnection configuration (both normal and alternate configurations).
4. The type of transformer electrical connections used to integrate the SGR.
5. The insulation level of the system served by the SGR.

Typical protection requirements for a 4 MW SGR connected to a BPA utility customer system with an 8 MW minimum load are shown in figure 1. Additional equipment such as a grounding transformer may be required in this example if the output of the generation approximately matches or exceeds the load.

In all cases, the protection schemes and equipment required for the protection of the BPA system shall be approved by BPA.

APPENDIX A
APPLICABLE STANDARDS

ANSI

C1	National Electrical Code
C2	National Electrical Safety Code
C37.4	Definitions...AC High Voltage Circuit Breakers
C37.16	Requirements...AC Low Voltage Circuit Breakers
C37.30	Definitions...Air Switches, Insulation, and Bus Supports
C37.48	Guide...Cutouts, Fuse Links, Secondary Fuses
C37.90	Relays...Electric Power Apparatus
C37.91	Relays...Transformers
C37.95	Relays...Utility Consumer Interconnections
C57.12.00	Distribution, Power Transformers...General Requirements
C57.12.01	Distribution, Power Transformers...Dry Type
C62.1	Surge Arrestors
C57.13	Instrument Transformers

WSCC Minimum Operating Criteria

NW Power Pool

National Environmental Policy Act

Pacific Northwest Regional Power Act

IEEE Guide 80 Guideline to Substation Grounding

Cogeneration and Small Power Production Guidelines for Public Power Systems, November 1980, American Public Power Association

IEEE Guide for Interfacing Dispersed Storage and Generation Facilities with Electric Utility Systems -- ANSI/IEEE Standard 1001-1988

December 27, 1989

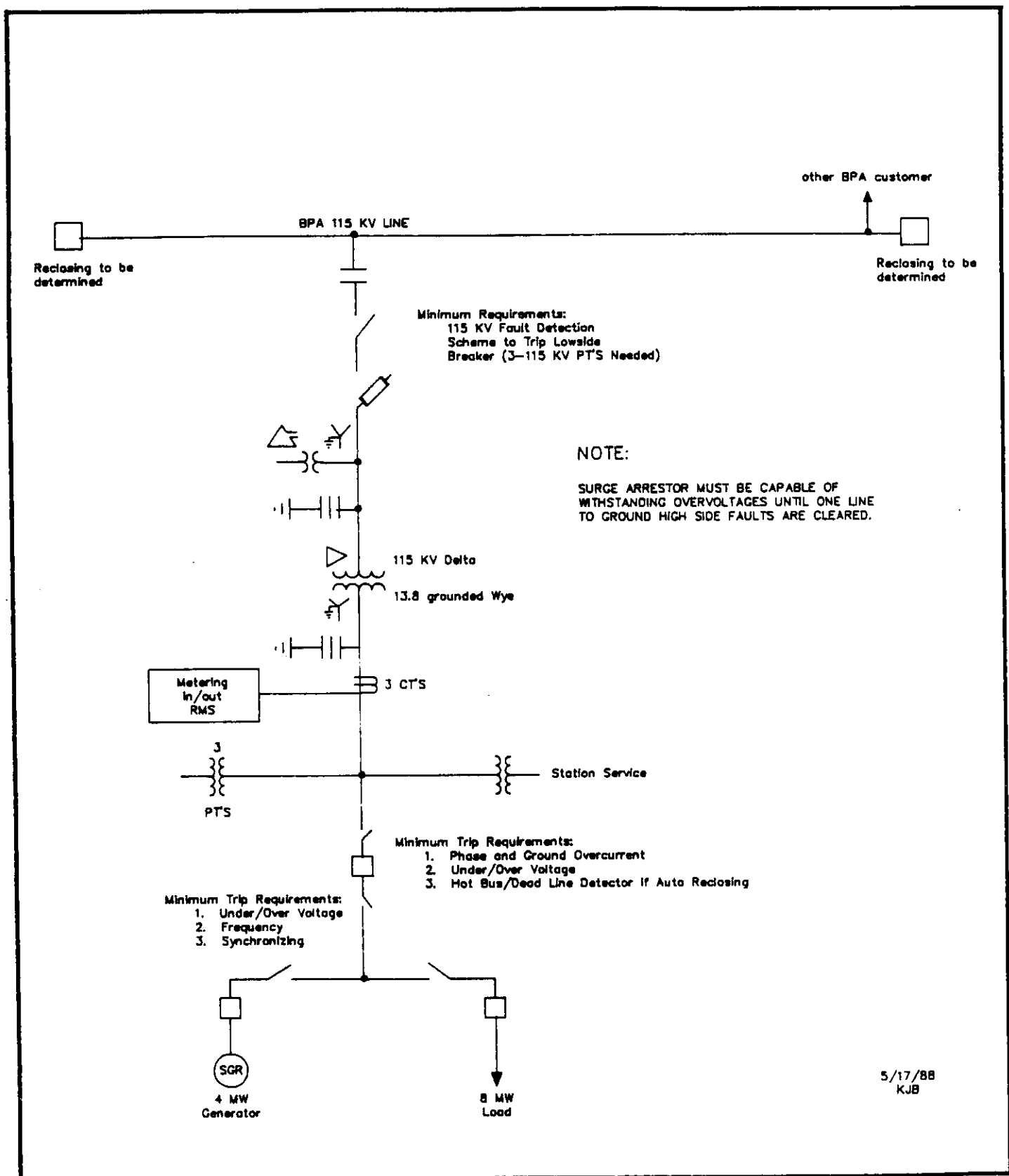


Fig. 1
Typical Example of Protection Requirements for a SGR

GENERAL CONTRACT PROVISIONS

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IN REFERENCE TO MEANING

1. Definitions. The definitions in the body of this contract and the following additional definitions apply to this exhibit.

(a) "Federal System" or "Federal System Facilities" means the facilities of the Federal Columbia River Power System, which for the purposes of this contract shall be deemed to include the generating facilities of the Government in the Pacific Northwest for which Bonneville is designated as marketing agent; the facilities of the United States under the jurisdiction of Bonneville; and any other facilities:

(1) from which Bonneville receives all or a portion of the generating capability (other than station service) for use in meeting Bonneville's loads, such facilities being included only to the extent Bonneville has the right to receive such capability; provided, however, that "Bonneville's loads" shall not include that portion of the loads of any

Bonneville customer which are served by a non-Federal generating resource purchased or owned directly by such customer which may be scheduled by Bonneville;

(2) which Bonneville may use under contract, or license; or

(3) to the extent of the rights acquired by Bonneville pursuant to the Treaty between the United States and Canada relating to the cooperative development of water resources of the Columbia River Basin, signed in Washington, D.C., on January 17, 1961.

(b) "Integrated Demand" means the number of kilowatts which is equal to the number of kilowatthours delivered at any point during any clock hour.

(c) "Non-Federal Utility" means any utility not owned or controlled by the United States, including any entity (1) which such a utility owns or controls, in whole or in part, or is controlled by; (2) which is controlled by those controlling such utility; or (3) of which such utility is a member.

(d) "Pacific Northwest" means the same as such term is defined in P.L. 96-501.

(e) "Point(s) of Delivery" means the point(s) of delivery listed either in the Points of Delivery Exhibit to this contract or in the body of this contract.

(f) "Treaty" means the Treaty between the United States and Canada relating to the cooperative development of water resources of the Columbia River Basin, signed in Washington, D.C., on January 17, 1961.

2. Interpretation.

(a) The provisions in this exhibit shall be deemed to be a part of the contract body to which they are an exhibit. If a provision in such contract body is in conflict with a provision contained in this exhibit, the former shall prevail.

(b) If a provision in the General Rate Schedule Provisions incorporated in the Wholesale Power Rate Schedules and General Rate Schedule Provisions Exhibit is in conflict with a provision contained in this exhibit or the contract body, this exhibit or the contract body shall prevail.

(c) Nothing contained in this contract shall, in any manner, be construed to abridge, limit, or deprive any Party hereto of any means of enforcing any remedy, either at law or in equity, for the breach of any of the provisions of this contract which it would otherwise have.

IN REFERENCE TO DELIVERY OF POWER

3. Character of Service. Unless otherwise specifically provided for in the contract, electric power, capacity or energy made available pursuant to this contract shall be in the form of three-phase current, alternating at a nominal frequency of 60 hertz.

4. Point(s) of Delivery and Delivery Voltage. Electric power, capacity or energy shall be delivered to each purchaser at the Point(s) of Delivery and

at such voltage(s) as specified. Unless otherwise agreed, delivery at more than one voltage shall constitute delivery at more than one point.

5. Metered Quantities. The amount(s) of energy, Integrated Demands therefor and amount(s) of reactive energy delivered to the Point(s) of Delivery during each month shall be determined from measurements made by meters installed for such Point(s) of Delivery in the circuit specified.

IN REFERENCE TO PAYMENT FOR POWER

6. Payment of Bills. Each calculated monetary amount in a wholesale power bill shall be rounded to a whole dollar amount, by elimination of any amount of less than 50 cents and increasing any amount from 50 cents through 99 cents to the next higher dollar.

If IWRB is unable to render Bonneville a timely monthly bill which includes a full disclosure of all billing factors, it may elect to render an estimated bill for that month to be followed by the final bill. Such estimated bill, if so issued, shall have the validity of and be subject to the same payment provisions as shall a final bill; however, payment required under the estimated bill shall be adjusted as appropriate in the final bill.

Bills not paid in full on or before the date specified in the Payment of Bills section, or its successor, of the General Rate Schedule Provisions incorporated in the Wholesale Power Rate Schedules and General Rate Schedule Provisions Exhibit shall bear additional charges as specified therein.

Remittances received by mail will be accepted without assessment of the charges referred to in the preceding paragraph provided the postmark indicates the payment was mailed on or before the 30th day after the date of the bill. If the 30th day after the date of the bill is a Sunday or other nonbusiness day of the purchaser, the next following business day shall be the last day on which payment may be made to avoid such further charges. Payment made by metered mail and received subsequent to the 30th day must bear a postal department cancellation in order to avoid assessment of such further charges.

7. Determination of Estimated Billing Data. If the amounts of power or energy which have been delivered hereunder must be estimated from data other than metered quantities, scheduled quantities or tabulations of hourly interchange prepared by Bonneville, Bonneville and IWRB shall agree on estimated billing data to be used in preparing the bill.

MISCELLANEOUS PROVISIONS

8. Additional Provisions. IWRB agrees to comply with the clauses for United States contracts contained in the following statutes, Executive Orders, and regulations to the extent applicable:

(a) the Rehabilitation Act of 1973, Public Law 93-112, as amended, and 41 CFR Part 60-741.4 (Affirmative Action for Handicapped Workers);

(b) the Vietnam Era Veterans Readjustment Assistance Act of 1972, Public Law 92-540, as amended, and 41 CFR Parts 60-250.4 and 60-250.10 (Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era);

(c) the Small Business Act, as amended;

(d) Executive Order 11246 and 41 CFR Part 60-1.4 (Equal Opportunity). Such clauses, as amended, are incorporated by reference herein as if fully set forth.

9. Notices and Computation of Time. Any notice required by this contract to be given to any party shall be effective when it is received by such party, and in computing any period of time from such notice, such period shall commence at 2400 hours on the date of receipt of such notice.

10. Interest of Member of Congress. No Member of or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to such contract if made with a corporation for its general benefit.

(VS6-PMCE-4332c)

Electric Power Wheeling and Maintenance Agreement

between

Idaho Water Resources Board

and

Clearwater Power Company

for

**Use of Electrical Transmission Facilities
associated with the
Dworshak Small Hydroelectric Project
FERC License No. 10819**

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AGREEMENT

This Agreement, made this _____ day of January 2000, by and between the Idaho Water Resources Board (IWRB) and the Clearwater Power Company (CPC).

RECITALS

1. IWRB is developing the Dworshak Small Hydroelectric Project "Project" a hydroelectric power plant, having a name-plate generation capacity of approximately 2,900 kW, located approximately one mile downriver of Dworshak Dam on the feedwater lines serving the Clearwater and Dworshak National Fish Hatcheries in Clearwater County.
2. IWRB was issued Federal Power License No. 10819 for the Project on August 4, 1998, by Federal Energy Regulatory Commission (FERC).
3. IWRB desires to deliver the output from the Project to the Bonneville Power Administration's (BPA) transmission system.
4. CPC owns and operates the Ahsahka Substation, a 115kV to 24.9kV facility located in the vicinity of the Project, and a 115kV transmission line which interconnects the Ahsahka Substation to the BPA Transmission System.
5. CPC has designed, on behalf of IWRB, a protection system satisfactory to CPC for the protection of CPC's electric distribution system. A copy of the design of the protection system is attached as Exhibit A and incorporated herein by this reference.
6. CPC is willing to make the necessary changes to its facilities in order to wheel the power produced from the Project to the BPA Transmission System.

Now, therefore, in consideration of the promises stated, the parties hereto agree as follows:

I. Definitions

As used in this Agreement:

1. "Good Utility Practice" shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been

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expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a range of acceptable practices, methods or acts.

2. "System" or "Facilities" shall include transmission, transformer, substation, and distribution facilities which are owned by either party or which either party may use under a lease, easement or license.

3. "Point of Interconnection " shall be defined as where the 24.9kV low voltage side of CPC's Ahsahka Substation and IWRB facilities are connected.

4. "Point of Delivery" shall be defined as the junction of the CPC and BPA facilities located approximately one mile northeast up the North Fork of the Clearwater River from the Ahsahka Substation.

5. "Metering Point" shall be in CPC's Ahsahka Substation, in the 24.9 kV circuit over which such electric power and energy flows.

6. "Uncontrollable Forces" may include, but are not restricted to:

a. Strikes affecting the operation of either party's system or other physical facilities upon which such operation is dependent; or

b. The following events that either party, by exercise of reasonable diligence and foresight, could not reasonably have been expected to avoid:

(1) Events, reasonably beyond the control of the party having jurisdiction thereof, causing failure, damage, or destruction of any system or facility. The term "failure" shall include any interruption or interference with the actual operation of such system or facility.

(2) Acts of God or of the public enemy, acts of the government in its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes or failure or breakdown of transmission, distribution or other facilities.

II. Scope

CPC agrees to furnish wheeling services requested by IWRB to transmit the output from the Project to the Point of Delivery. CPC also agrees to perform the identified construction and maintenance services to facilitate

the delivery of electrical power from the Project to the Point of Interconnection.

III. Description of Services

1. Wheeling Services

a. CPC agrees to provide wheeling services from the Point of Interconnection located at the 24.9 kV circuit side of the Ahsahka Substation through the substation to the Point of Delivery on the BPA Transmission System located approximately one mile from the Ahsahka Substation.

b. The premises to be served under this Agreement is the Dworshak Small Hydroelectric Project FERC License No. 10819 located near Ahsahka Idaho. The name-plate generation capacity of the Project is approximately 2,900 kW and the annual energy production is estimated at 23,000,000 kWh.

c. IWRB shall give reasonable notice to CPC respecting any changes anticipated in the capacity requirements or characteristics of the wheeling service required.

2. Construction and Maintenance Services

a. CPC agrees to construct and install all necessary electrical facilities identified in Exhibit C incorporated herein by this reference and located between the south side vault of the Ahsahka Bridge and the Point of Interconnection located at the 24.9 kV circuit side of the Ahsahka Substation. Ownership and title to the facilities including the conduits, primary conductors, ground wire and connectors shall remain with IWRB, except that CPC shall own and hold title to the Ahsahka Bridge electrical vaults and bridge cable tray together with other associated facilities attached to the vaults and tray. CPC hereby provides to IWRB a license to jointly use the bridge vaults; cable tray and associated facilities owned by CPC for the life of this Agreement. CPC agrees to be responsible for all loss or damage to its facilities except loss or damage that is caused by the interconnection of IWRB's facilities to CPC or that arising out of the negligence of IWRB, its agents or employees. All real estate taxes and other charges, together with all liability arising out of the negligence of CPC in the construction and maintenance shall be assumed by CPC.

b. IWRB shall construct and install the transformer, buried conduit and wire to the Clearwater Bridge. Ownership and title to the transformer, buried conduit and wire shall remain with IWRB and it shall be responsible for all loss and damages to its facilities except that arising

out of the negligence of CPC, its agents or employees. All taxes and other charges, together with all liability arising out of the negligence of IWRB shall be assumed by IWRB.

c. CPC agrees to provide the inspection, maintenance, and periodic replacement of the transformer, buried conduit, and wire owned by IWRB together with electric facilities identified in Exhibit C. CPC agrees to inspect and maintain all the facilities identified under this Agreement to the same standard it maintains its other distribution facilities using Good Utility Practices, and use reasonable diligence to provide a regular uninterrupted wheeling service to the Project. Notwithstanding CPC's agreement to provide maintenance for the IWRB transformer, CPC shall not have any liability for any damages arising from, but not limited to, any environmental cleanup, fines, or other costs. Except that CPC shall be responsible for damages that arise as the result of negligence on the part of CPC in the performance of its maintenance duties under this Agreement. IWRB shall provide periodic maintenance, testing and repair to all other Project facilities. CPC reserves the exclusive rights to operate, maintain, inspect, update, and/or repair IWRB's facilities within the boundaries of CPC's Ahsahka Substation and the North and South vaults located on the Ahsahka Bridge. IWRB reserves the right to accompany CPC personnel during any maintenance, inspections, updates, and/or repairs of IWRB's facilities.

d. Each party agrees to design, construct, operate, maintain and use its electric facilities in conformance with Good Utility Practices to minimize electrical disturbances such as, but not limited to, the abnormal flow of power which may interfere with the electric system of the other party or any other electric system connected to the party's system. Nothing in this section shall be construed to create any duty, standard of care, or liability to any person not a party to this Agreement, including but not limited to those who purchase electricity directly from CPC.

IV. Continuity of Service

1. CPC shall not be liable to IWRB for damages, breach of Agreement, or service interrupted by any uncontrollable force or any other event or consequence unless such event or consequence is the result of CPC's willful misconduct or negligence.

2. CPC may temporarily interrupt or reduce wheeling of electrical power of the Project if it determines that such interruption or reduction is necessary or desirable in case of system emergencies, uncontrollable forces, or in order to make repairs, replacements, investigations,

inspections or install equipment and perform other maintenance work on CPC's system. CPC shall make every effort to perform all repairs and other duties identified in this paragraph with reasonable dispatch to promptly restore wheeling service to the Project. Except in cases of emergency and/or uncontrollable forces, CPC agrees to give IWRB reasonable notice of any anticipated interruption or reduction together with an explanation for the action and an estimate of the duration of the interruption.

3. IWRB shall provide power and energy in conformance with IEEE Standard 519-1992 for harmonic control and IEEE Standard 141-1986 for voltage guidelines. IWRB also shall maintain unity average power factor as nearly as practicable. In the event that the delivered power and energy is not within the standard or the power factor falls below 95% leading or lagging based on an hourly average, CPC, after notification to IWRB, may disconnect the Project from its system until such time as the power quality is corrected at IWRB expense. IWRB shall adhere to Good Utility Practices in the operation and maintenance of the Project, including, but not limited to, system protection and generation output.

4. CPC agrees to notify IWRB as soon as possible of any uncontrollable force that in any way affects transmission of power under this Agreement. In the event the operations of CPC are interrupted or curtailed due to such uncontrollable force, CPC agrees to exercise due diligence to reinstate such operations with reasonable dispatch. In the event CPC is unable to wheel power for any causes identified under this Agreement, for any period, CPC shall not be held responsible for the lost production revenues of the Project.

5. In the event IWRB is unable to operate the Project in whole or in part, IWRB shall not be liable to CPC for damages breach of Agreement or service interrupted by any uncontrollable force or any other event or consequence. CPC agrees to maintain IWRB's facilities as outlined in this Agreement and IWRB shall continue to pay the monthly rate subject to an adjustment pro-rated daily as described in Section V below until such time as IWRB notifies CPC in writing of the termination of this Agreement

6. The parties shall furnish each other such information as is necessary for making any computation required under this Agreement and the parties further agree to cooperate in the exchange of additional information as may be useful in their respective operations.

7. It is the intent of the parties to create and foster an atmosphere of cooperation over the term of this Agreement.

V. Payment, Rate and Charges

1. IWRB shall pay and CPC shall accept as payment the monthly rate specified in Exhibit B and incorporated herein by this reference. The monthly rate shall include charges for standby, maintenance and inspection and wheeling and joint use for the Project. An adjustment prorated daily shall be made to the monthly Wheeling and Joint Use Fee if IWRB is unable to operate the Project for more than thirty (30) consecutive days.
2. The rate schedule may be renegotiated at any time upon request of either party. CPC agrees that the rate will not exceed the rate CPC would charge others under similar conditions of service.
3. CPC agrees to bill and IWRB agrees to pay up to twenty five thousand dollars (\$25,000.00) per year for all costs, including but not limited to labor, material, and overhead, plus ten percent (10%), associated with repairs to IWRB equipment and replacement thereof. CPC agrees to, after consultation with IWRB, bill IWRB for any additional amounts that may exceed \$25,000.00 in any given year.
4. Upon completion of the facilities, or periodically prior to completion if the parties agree, IWRB shall pay CPC the approximate total sum of one hundred seventy three thousand two hundred dollars (\$173,200) for construction and installation of the facilities identified in the attached Cost Estimate of Electric Facilities labeled as Exhibit C. Payment shall be adjusted more or less from the amount identified above to reimburse CPC for the actual costs expended to construct and install the facilities. Upon full payment, CPC agrees to execute a release in favor of IWRB for all claims arising under or by virtue of the installation.
5. The parties agree that actions performed under this Agreement are not intended to cause any detrimental effect on CPC in regards to any agreement CPC has or may have with BPA and/or other power providers. The parties further agree to promptly renegotiate any term of this Agreement to alleviate any dispute or remove any detrimental effect encountered by either party. If the parties are unable to reach agreement to modify this Agreement to remedy a dispute or eliminate a detrimental effect, either party may submit the dispute for Mediation and Arbitration as set out in Section XX of this Agreement. CPC agrees to continue to provide Wheeling and Maintenance services while any matter in this Agreement may be in dispute. IWRB agrees to reimburse CPC for reasonable costs associated with any ongoing maintenance, inspection and detrimental effects attributable to IWRB, as determined by the parties.

VI. Term

1. This Agreement shall become effective upon the execution by the parties. Services provided by CPC described in Exhibit B shall commence at 2400 hours on or before August 3, 2000 and shall continue until the earlier of:

- a. 2400 hours on the date 60 days after written notice from IWRB to CPC of termination of the Power Sales Agreement between IWRB and BPA; or
- b. 2400 hours on the date 60 days after written notice from IWRB to CPC of termination pursuant to section XXI of this Agreement; or
- c. Fifty (50) years from the effective date of this Agreement.

2. This Agreement may be extended or renewed upon agreement of the parties.

VII. Audit by IWRB

IWRB shall have the right to audit and inspect the records of CPC subject to the following provisions:

1. Examination of Costs. CPC agrees to make available and IWRB shall have the right to examine books, records and documents, and other evidence, accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of this Agreement. Such right of examination shall include inspection at all reasonable times of CPC's plants, or parts thereof, as may be engaged in the performance of this Agreement.

Any data relied upon by CPC to establish a price shall be made available to IWRB upon request.

2. The materials described in paragraph No. 1 of this section shall be made available at the offices of CPC, at all reasonable times and with reasonable notice, for inspection, audit, or reproduction, until three years after payment under this Agreement. IWRB shall reimburse CPC for costs of providing data and assistance during the audit.

VIII. Interpretation

Nothing in this Agreement shall, in any manner, be construed to abridge, limit or deprive any party hereto of any means of enforcing any remedy, either at law or in equity, for the breach of any provision in this Agreement that either party would otherwise have.

IX. Conflicts

Any inconsistency between the provisions of this Agreement and the provisions of any schedule, rider or exhibit incorporated into this Agreement by reference or otherwise, the provisions of this Agreement shall control.

X. Attorney's Fees

In the event either IWRB or CPC takes action, judicial or otherwise, to enforce or interpret any of the terms of this Agreement, the prevailing party shall be entitled to recover reasonable fees of attorneys, paralegal, accountants and other experts, and all other amounts provided by law, whether incurred in a suit or action or appeal from a judgment or decree therein.

XI. Assignment of Agreement

This Agreement shall inure to the benefit of, and shall be binding upon the respective successors and assigns of the parties to this Agreement, provided, however, that neither such Agreement nor any interest therein shall be transferred or assigned by either party without the written consent of the other, which consent shall not be unreasonably withheld. In the event approval is not given, the non-assigned party must state the reason for withholding approval and list conditions needed for approval.

XII. Indemnification

Each party agrees to indemnify, defend and hold harmless the other party, its assigns, officers, employees and agents from any and all claims, demands, suits, losses, costs and damages of every kind and description, including attorney fees, growing out of or connected with its negligent acts, errors or omissions its employees or agents, provided that neither party shall be relieved hereby from liability for their own negligence and that of its employees.

XIII. Null and Void Covenants

If any part of this Contract is declared invalid or becomes inoperative for any reason, such invalidity or failure shall not affect the validity and enforceability of any other provision.

XIV. Notices

Notices shall be in writing and shall be delivered by means of registered or certified mail, confirmed facsimile transmission, courier or messenger service or personal delivery, and shall be deemed given upon receipt or, in case of the notice by mail, three business days after deposit in the United States mail. Notices shall be addressed as follows, or to such other address as either IWRB or CPC shall provide.

To IWRB: Director
Idaho Department of Water Resources
1301 N. Orchard Street
P.O. Box 83720
Boise, Idaho 83720-0098
Facsimile: (208) 327-7866
Telephone: (208) 327-7900

To CPC: Raymond J. Thayer, P.E.
General Manager
Clearwater Power Company
4230 Hatwai Road
P.O. Box 997
Lewiston, Idaho 83501
Facsimile: (208) 746-3902
Telephone: (208) 743-1501

XV. Liability Insurance

IWRB and CPC agree to obtain and maintain liability insurance with a single limit of coverage of not less than \$5,000,000 for each occurrence. A certificate of such insurance shall be provided by IWRB and CPC to the other party prior to operation of the Project. Each party agrees to promptly notify the other of any changes in its liability insurance coverage and policies. The liability of each party is limited to amount of coverage identified herein.

XVI. Waiver, Modification or Amendment

No waiver, modification, or amendment of this Agreement or of any covenants, conditions or limitations herein contained shall be valid unless in writing duly executed by both parties and the parties further agree that the provisions of this section may not be waived, modified, or amended except as herein set forth.

XVII. Governing Law

This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of Idaho or the law of the United States of America, whichever is applicable.

XVIII. Enforceability

IWRB and CPC each represent and warrant that this Agreement has been duly authorized, executed, and delivered by the party and constitutes a legal and binding obligation of the party, enforceable against the other party in accordance with its terms.

XIX. Authorization

The persons signing this Agreement each represent that they have been appropriately authorized to enter into the Agreement on behalf of the party for which they sign.

XX. Mediation and Arbitration

Except for the right of either party to apply to a court of competent jurisdiction for a temporary restraining order or preliminary injunction to preserve the status quo or to prevent irreparable harm pending the decision of the arbitrator, the parties agree to first attempt to resolve any dispute arising under this Agreement informally through mediation using a mediator mutually agreed upon by the parties. If the parties cannot resolve the dispute through mediation, the parties may agree to submit the dispute to binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

The arbitration may be conducted by one (1) impartial arbitrator chosen by mutual agreement or by three (3) arbitrators if the parties are unable to agree on a single arbitrator within thirty (30) days of the first demand for arbitration. All arbitrators are to be selected from a panel provided by the American Arbitration Association. The arbitrators should be knowledgeable in electric utility and electric transmission matters. The chair shall be an attorney at law. Upon the request of a party, the arbitrators shall have the authority to permit discovery to the extent they deem appropriate. A court reporter shall record the arbitration hearing and the reporter's transcript shall be the official transcript of the proceeding. The arbitrators shall have no power to add or detract from the agreement of the parties and may not make any ruling or award that does not conform to the terms and conditions of this Agreement. The arbitrators shall have the authority to grant injunctive relief in a form substantially similar to what could be granted by a court of law. The arbitrators shall have no independent authority to award punitive damages or any other damages not measured by the prevailing party's actual damages. The arbitrators shall specify the basis for any damage award and the types of damages awarded. The decision of the arbitrators shall be final and binding on the parties and may be entered and enforced in any court of competent jurisdiction by either party.

The prevailing party in the arbitration proceedings shall be awarded reasonable attorneys' fees, expert witness costs and expenses, and all other expenses incurred directly or indirectly in connection with the proceedings, unless the arbitrators shall for good cause determine otherwise. Nothing in this

Agreement shall prevent either party from petitioning the Federal Energy Regulatory Commission at its expense to obtain relief under the provisions of the Federal Power Act or the regulations promulgated pursuant thereto.

XXI. Disconnection and Termination

If, in the sole judgment of CPC, IWRB's Project fails to remain in an operating condition that conforms to Good Utility Practices as set forth in this Agreement, CPC shall describe the deficiency and notify IWRB in writing to disconnect the IWRB's Project from CPC's system. In the event IWRB fails to remedy the described deficiency within seven (7) calendar days, CPC may discontinue services under this Agreement until such time as IWRB's Project is restored to an operating condition satisfactory to CPC. This Agreement may be terminated upon the destruction or abandonment of the Project or upon discontinuation of Project operations under a final order issued by a public official having authority to issue such order. Upon termination, IWRB agrees to reimburse CPC for costs associated with the removal of IWRB's facilities located in CPC's Ahsahka Substation and Ahsahka Bridge Vaults including, but not limited to, labor and material.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

IDAHO WATER RESOURCE BOARD

By Maureen Parr

Title Chairman I.W.R.B.

Date 1/27/2000

CLEARWATER POWER COMPANY

By Gordon Jensen

Title President

Date 1/19/2000

ATTEST:

By Robert L. Loss

Title Secretary

Date _____

Exhibit A

Dworshak Small Hydroelectric Project (FERC License 10819)

Protection System

See Attached Drawing

Clearwater Power Company One-Line Diagram

Ahsahka Substation

File: AS007

Sheet: 007

Exhibit B

Dworshak Small Hydroelectric Project (FERC License 10819)

Rate Schedule

The annual charge for electric power wheeling service and facility maintenance shall be comprised of the following costs:

- | | | |
|----|--------------|---------|
| 1. | Standby Fee: | \$5,000 |
|----|--------------|---------|

Standby: CPC agrees to maintain personnel and equipment 24 hours per day 7 days a week to conduct inspections, maintenance, repair, and replacement of IWRB's transformer, buried conduit and wire and the other facilities identified in Exhibits C. CPC agrees to respond in accordance with Good Utility Practices and shall not give preferential treatment to IWRB.

- | | | |
|----|---------------------------------|----------|
| 2. | Maintenance and Inspection Fee: | \$10,000 |
|----|---------------------------------|----------|

Maintenance and Inspection Fee: CPC agrees to inspect and perform maintenance on IWRB facilities and the other facilities identified in Exhibits C according to Good Utility Practice up to \$7,500 annually.

- | | | |
|----|-----------------------------|---------|
| 3. | Wheeling and Joint Use Fee: | \$7,686 |
|----|-----------------------------|---------|

Total Annual Charge:	\$22,686
-----------------------------	-----------------

The monthly rate shall be determined by dividing the annual charge by twelve. Billing shall be to the nearest whole dollar and shall be rendered by IWRB on a monthly basis to CPC.

Monthly Rate:	\$1,891
----------------------	----------------

**Wheeling and Joint-Use Fees
For
CPC's Ahsahka Substation and Transmission Line
By
IWRB**

Ahsahka Substation Point of Delivery

Location: The point in CPC's Ahsahka Substation where the 24.9 kV facilities of IWRB and CPC are connected.

Voltage:	24.9 kV
IWRB Reserved Capacity:	2,900 kW
Transformer Peak Load (TPL):	21,000 kW
Annual Cost Ratio (ACR):	.1387
Diversity Factor:	1.05
Joint-Use Investment:	\$377,241

Annual Joint-Use Fee: $2,900 / (21,000 \times 1.05) \times .1387 \times \$377,241 = \$7,587$

Ahsahka Transmission Line

Transmission Distance:	.785 miles
Transmission Distance Ratio:	\$0.0436
Joint-Use Transmission Factor:	$.785 \times \$0.0436 = \$0.0342 / \text{kW-yr}$
IWRB Reserved Capacity:	2,900 kW

Annual Wheeling Fee: $\$0.0342 \times 2,900 = \99.00

Total Annual Wheeling and Joint-Use: $\$7,587 + \$99 = \$7,686$

Exhibit C

Dworshak Small Hydroelectric Project (FERC License 10819)

Cost Estimate and Description of Electric Facilities Provided by CPC

Description	Materials	Labor	Overhead	Total
<u>Ahsahka Substation Modifications</u>				
Structure Modifications	\$1,120	\$7,060	\$1,640	\$9,820
Safety Breaker	15,740	7,000	4,550	27,290
Controls	4,500	3,500	1,600	9,600
Switches	3,000	1,350	870	5,220
Buswork	---	1,200	240	1,440
Metering (buy from BPA)	20,000	5,000	5,000	30,000
Underground Riser	---	640	130	780
Trenching and Backfill	---	3,750	750	4,500
Conduit	1,440	1,750	640	3,830
Conductor	1,450	450	380	2,280
<u>Oil Containment</u>	-----	1,000	200	1,200
Subtotal Ahsahka Substation	\$47,250	\$21,220	\$13,700	\$95,960
<u>Bridge Crossing</u>				
Conduit	\$1,410	\$9,360	\$2,150	\$12,920
Conductor	3,230	1,670	980	5,880
<u>Cable Tray (1/3 of cost)(actual)</u>				8,440
Subtotal Bridge Crossing	\$6,840	\$13,720	\$4,110	\$27,240
<u>Bridge Vaults</u>				
Ahsahka Side (1/3 of cost)(actual)				\$5,750
<u>Orofino Side (1/3 of cost)(actual)</u>				5,750
Subtotal Bridge Vaults				\$11,500
Contract Setup Costs				\$17,500
CPC Engineering and Coordination				\$21,000
TOTAL CPC ESTIMATED CONSTRUCTION COST				<u>\$173,200</u>

**U.S. DEPARTMENT OF ENERGY
BONNEVILLE POWER ADMINISTRATION**

Electronic Version
Approved by CGIR - 05/28/97

AGREEMENT

1. AGREEMENT NUMBER 00TX30375	2. AGREEMENT EFFECTIVE FROM DATE IN BLOCK 4 UNTIL Completion of Work	3. MODIFICATION NO. -0-	4. EFFECTIVE DATE (MM/DD/YY) Same as Block 20	5. PROCUREMENT REQUEST NUMBER
ISSUED TO		ISSUED BY		
6. ORGANIZATION AND ADDRESS (Include 9-Digit ZIP Code) Clearwater Power Company ATTN: Raymond Thayer, General Manager P.O. Box 997 Lewiston, ID 83501		9. ORGANIZATION AND ADDRESS U.S. Department of Energy Bonneville Power Administration ATTN: Edward A. Peterson - TOC/DITT2 P.O. Box 491 Vancouver, WA 98666-0491		
7. TECHNICAL CONTACT Doug Pfaff	PHONE NUMBER (208) 743-1501	10. BPA TECHNICAL CONTACT Jeff Hathhorn	PHONE NUMBER (208) 746-2357	
8. ADMINISTRATIVE CONTACT Raymond Thayer, General Manager	PHONE NUMBER (208) 743-1501	11. BPA ADMINISTRATIVE CONTACT Ed Woessner	PHONE NUMBER (509) 358-7426	
12. TITLE/BRIEF DESCRIPTION OF WORK TO BE PERFORMED UNDER THIS AGREEMENT				

Bonneville Power Administration (BPA) will, at Clearwater Power Company's (CPC) expense, install revenue metering in CPC's Ahsahka Substation to capture generation output from the Idaho Water Resources Board (IWRB) generation facility (also know as the Dworshak Small Hydro Project). Metering is to be located in BPA's meterhouse

CPC is acting as the IWRB agent for the purposes of paying for and installing the required metering package. BPA does not have a direct contact with IWRB for this part of the project.

The estimated completion date for this project is April 5, 2000.

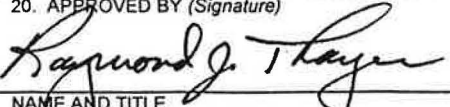
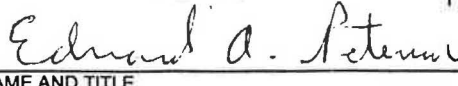
The following documents are attached to and become a part of this Agreement:

- ♦ Financial Terms and Conditions Statement dated December 1, 1999

The following documents are attached for reference:

- ♦ Letter from Ralph Mellin (IWRB) to Thomas Murphy (BPA) and Edward Woessner (BPA) dated November 8, 1999
- ♦ BPA Contract #92888, Settlement and Contingent Power Purchase Agreement, signed April 30, 1990
- ♦ BPA Preliminary Project Requirements Diagram No. 258573

COPY

15. AMOUNT TO BE PAID BY BPA \$		16. AMOUNT TO BE PAID TO BPA Actual Costs (estimated at \$21,000)	
17. SUBMIT INVOICE TO U.S. Department of Energy Bonneville Power Administration ATTN: Edward A. Peterson - TOC/DITT2 P.O. Box 491 Vancouver, WA 98666-0491		18. ACCOUNTING INFORMATION (For BPA Use Only)	
		19. SUBMIT INVOICE TO (Name and Address) Clearwater Power Company ATTN: Raymond Thayer, General Manager P.O. Box 997 Lewiston, ID 83501	
PARTICIPANT		BPA	
20. APPROVED BY (Signature) 	DATE (MM/DD/YY) 1/25/00	21. APPROVED BY (Signature) 	DATE (MM/DD/YY) 12/2/99
NAME AND TITLE Raymond J. Thayer General Manager		NAME AND TITLE Edward A. Peterson Manager, Customer Service Planning and Engineering	

BPA - BONNEVILLE POWER ADMINISTRATION
CPC - CLEARWATER POWER COMPANY
IWRB - IDAHO WATER RESOURCES BOARD
COE/USCE - U.S. ARMY CORP OF ENGINEERS

1. THE PURPOSE OF THIS PROJECT IS TO INTEGRATE THE IDAHO WATER RESOURCES BOARD GENERATION INTO CLEARWATER POWER COMPANY'S AHSAHKA SUBSTATION.

2. REAL-TIME AGC TELEMETRY OF GENERATION QUANTITIES FOR THE IWRB PROJECT IS NOT REQUIRED. TOTAL NAMEPLATE CAPACITY OF THE IWRB GENERATORS IS SLIGHTLY LESS THAN 3 MW. THE TOTAL ELECTRICAL OUTPUT OF THIS PROJECT MAY INTERMITTENTLY EXCEED 3 MW FOR SHORT PERIODS. EXPANSION OF THIS PROJECT IS UNLIKELY DUE TO LIMITATION OF HYDRAULIC CAPACITY AT THIS SITE.
3. BPA TO MODIFY THEIR SINGLE-DIRECTION METERING TO BE BI-DIRECTIONAL.
4. BPA WILL INSTALL A PHONE SWITCH TO UTILIZE TELEPHONE LINE FOR ACCESS TO THE NEW REVENUE METER IN NOTE 5.
5. BPA TO PROVIDE AT CPC'S EXPENSE, RMS REMOTE BI-DIRECTIONAL METERING PACKAGE INCLUDING A JEM METER WITH INTEGRAL DEMAND RECORDER.
6. OVER/UNDER FREQUENCY AND VOLTAGE RELAYING FOR THE PROJECT GENERATION SHOULD BE SET TO COMPLY WITH REQUIREMENTS SPECIFIED IN SECTION 6-C (RELAY COORDINATION) OF THE BPATECHNICAL REQUIREMENTS FOR THE INTERCONNECTION OF GENERATION RESOURCES.
7. POTENTIAL LIGHT-LOAD FERRESONANCE PROBLEM EXISTS IF THE AHSAAHKA 24.9 KV BUS IS ISLANDED WITH THE IWRB GENERATION IN-SERVICE. THERE MAY BE INSTANCES WHERE THE MINIMUM LOAD AT AHSAAHKA IS LESS THAN 3-TIMES THE IWRB GENERATION.
8. PROTECTIVE RELAYING FOR FAULTS ON THE 115 KV SYSTEM WILL INCLUDE PHASE OVERCURRENT AS WELL AS NEGATIVE SEQUENCE OVERCURRENT PROTECTION PROVIDED BY SEL RELAY.
9. ENGINEERING COORDINATOR:
ED WOESSNER (509) 358-7426



PRELIMINARY
12/1/99

THIS PROJECT
EXISTING OR OTHER PROJECTS
REMOVE
FUTURE
BOUNDARY LINE

NO.	COMPUTER REVISION ONLY	COORDINATING ENGINEER	APPROVED
<p align="center">PROJECT REQUIREMENTS DIAGRAM</p> <p align="center">UNITED STATES DEPARTMENT OF ENERGY BONNEVILLE POWER ADMINISTRATION PORTLAND, OREGON</p>			
ENERGIZATION DATE(S) 4/2000		OPERATIONS & PLANNING	
PRELIMINARY APPROVED L. FURUMASU		AHSAHKA GENERATION PROJECT (IDAHO WATER RESOURCES BOARD)	
DATE 12/1/99			
COORDINATING ENGINEER ED WOESSNER			
FINAL APPROVED		DATE	
		SERIAL 258573	SOURCE TO
		SIZE A3	SHEET 1 OF 1
			REV. 0

*Annex
Rommie
Nothing*

FAX COVER PAGE - MESSAGE

IMMEDIATE DELIVERY PLEASE

TO: JOHN HOMAN, DEPUTY ATTORNEY GENERAL
WATER RESOURCE UNIT

FAX NUMBER: 327-7866

FROM: JOAN COMPTON, CPIW
Risk Management Analyst
State of Idaho
Office of Insurance Management/Risk Management

TELEPHONE NUMBER: (208) 332-1872
E-mail Address: jcompton@adm.state.id.us
FAX NUMBER: (203) 334-5315

DATE: 11/19/99 TIME: 3:30 NUMBER OF PAGES (INCLUDING COVER SHEET): 4

RE: EVIDENCE OF FINANCIAL RESPONSIBILITY TO CLEARWATER POWER COMPANY
REGARDING PROPOSED ELECTRIC POWER WHEELING AND MAINTENANCE AGREEMENT
(Small Hydroelectric Project)

PER YOUR REQUEST, FOLLOWING ARE TWO CERTIFICATES EVIDENCING THE INSURANCE
REQUIREMENTS IN THE AGREEMENT. ONE OF THEM IS FROM THE EXCESS INSURANCE
CARRIER COMPLYING WITH THE \$5,000,000 LIMIT EXCESS OF THE STATE'S SELF-
INSURED LIMIT OF \$500,000.

LET ME KNOW IF YOU HAVE QUESTIONS OR I CAN BE OF FURTHER ASSISTANCE.

HAVE A GREAT WEEKEND!

REGARDS,

Joan Compton
Risk Management Analyst
Office of Insurance Management
jcompton@adm.state.id.us
208-332-1872

State of Idaho CERTIFICATE OF FINANCIAL RESPONSIBILITY

The State of Idaho and its departments and agencies are self-insured for their public liability exposures. The State of Idaho has created The Retained Risk Fund, administered by the Bureau of Risk Management (Idaho Code § 67-5776), as the method to finance its risks of loss. Self-insurance is not insurance.

NAME OF AGENCY: State of Idaho/DEPARTMENT OF WATER RESOURCES/WATER RESOURCES BOARD
% Office of Insurance Management - Risk Management
P.O. Box 83720
Boise, Idaho 83720-0079

CERTIFICATE HOLDER: CLEARWATER POWER COMPANY
4230 HATWAI ROAD
LEWISTON, IDAHO 83501
ATTN: RAYMOND J. THAYER

DESCRIPTION OF OPERATION: The State of Idaho's Self Retained Risk Liability Fund, subject to the limits of liability specified in Idaho Code 6-901 through 6-929, is in effect on behalf of the State of Idaho including Dept. of Water Resources and the Idaho Water Resources Board but only for the *Negligent* actions of the Idaho Water Resources Board as respects to the Electric Power Wheeling and Maintenance Agreement between the Clearwater Power Company (CPC) and the Idaho Water Resources Board.

TYPE OF COVERAGE	INDEMNIFICATION PROVIDED BY	EFFECTIVE DATES OF CERTIFICATE	LIMITS OF LIABILITY EACH OCCURRENCE
Comprehensive General Liability For: Bodily Injury including personal injury Error & Omission and Medical Malpractice, if applicable Property Damage	State of Idaho Retained Risk Fund	Nov. 1999 until cancellation of signed agreement	\$500,000
If applicable: Comprehensive Auto Liability For: Bodily Injury and Property Damage	State of Idaho Retained Risk Fund		

11-19-99
Date Issued

Jean Compton
Authorized Representative

In the event of any material change in this program, the Office of Insurance Management-Risk Management will give 30 days' written notice to the party to whom this certificate is issued, but failure to give such notice shall impose no obligation upon the State of Idaho and the Office of Insurance Management.

MARSH, INC.

225 N 9TH, STREET, SUITE 300
PO BOX 8688
BOISE, ID 83702
208-385-5580

November 18, 1999

RECEIVED BY:

NOV 19 1999

OFFICE OF INSURANCE
MANAGEMENT

Clearwater Power Company
Attn: Raymond J Thayer P.E.
4230 Hatwai Road
Lewiston, ID 83501

RE: State of Idaho

TO WHO IT MAY CONCERN:

Attached are the following items per your request:

<input checked="" type="checkbox"/>	Certificate of Insurance
<input type="checkbox"/>	Memorandum of Insurance
<input type="checkbox"/>	Original Policy (as captioned)
<input type="checkbox"/>	Copy of Policy (as captioned)
<input type="checkbox"/>	Loss Payable and/or Mortgage Clause
<input type="checkbox"/>	Contract of Sale Clause
<input type="checkbox"/>	Cover Note and/or Binder
<input type="checkbox"/>	Other

The enclosed is issued in connection with:

Evidence of Insurance as respects to the Electric Power Wheeling and
Maintenance Agreement between the Clearwater Power Company and the Idaho
Water Resources Board.

We trust that you will find the enclosure(s) entirely satisfactory.

By: Connie L. Jones
Connie Jones, CPIW

cc: Joan Compton, State of Idaho

h:\comgrp\genbus\connie\soi\soicert.doc

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)

11/18/1999

PRODUCER

Marsh USA, Inc.
P O Box 8688
Boise, ID 83707
(208)342-6573 Fax(208)338-6436

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
A AMERICAN RE

COMPANY
B

COMPANY
C

COMPANY
D

INSURED

STATE OF IDAHO
OFFICE OF INSURANCE MGT.
PO BOX 83720
BOISE, ID 83720

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ PERSONAL & ADV INJURY \$ EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED EXP (Any one person) \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
A	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input checked="" type="checkbox"/> OTHER THAN UMBRELLA FORM	9312254	07/01/99	07/01/00	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 SLR \$500,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				WK STATUTORY LIMITS <input type="checkbox"/> OTHER <input type="checkbox"/> EL EACH ACCIDENT \$ EL DISEASE - POLICY LIMIT \$ EL DISEASE - EA EMPLOYEE \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

EVIDENCE OF INSURANCE AS RESPECTS TO THE ELECTRIC POWER WHEELING AND MAINTENANCE AGREEMENT BETWEEN THE CLEARWATER POWER COMPANY (CPC) AND THE IDAHO WATER RESOURCES BOARD.

CERTIFICATE HOLDER

CLEARWATER POWER COMPANY
ATTN: RAYMOND J THAYER P.E.
4230 HATWAI ROAD
LEWISTON ID 83501

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

ACORD 25-S (1/95)

ACORD CORPORATION 1988

MEMORANDUM OF UNDERSTANDING
FOR THE USE OF THE
CLEARWATER FISH HATCHERY WATER SUPPLY LINES
FOR THE OPERATION OF THE
DWORSHAK SMALL HYDROELECTRIC PROJECT

BETWEEN

U. S. FISH AND WILDLIFE SERVICE
Lower Snake River Compensation Plan Office

AND

IDAHO WATER RESOURCE BOARD

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PREAMBLE

This Memorandum of Understanding (MOU) is entered into this 5th day of July, 2000, by and between the United States of America acting through the Department of the Interior, Fish and Wildlife Service (Service), and the Idaho Water Resource Board (Board) also referred to as the Licensee.

RECITALS

1. The Department of the Army, Corps of Engineers (Corps), constructed the Clearwater Fish Hatchery (CFH) together with water supply lines for the CFH and water supply lines for the adjacent Dworshak National Fish Hatchery (DNFH) for fish production and other purposes of the Lower Snake River Compensation Plan, which was authorized by Water Resources Act of 1976 (Public Law 94-587). The water supply lines include a distribution box to the two hatcheries. The distribution box provides the base for the main portion of the Dworshak Small Hydroelectric Project (Project).

2. The ownership of CFH including the water supply line from the intake to CFH and the distribution box was transferred from the Corps to the Department of the Interior, Fish and Wildlife Service, on April 10, 2000.

3. The Service administers and funds the Lower Snake River Compensation Plan's fish propagation facilities to offset losses associated with the construction and operation of the four Lower Snake River dams. The Idaho Department of Fish and Game (IDFG) operates CFH under a cooperative agreement with the Service. The Service/IDFG agreement provides that the CFH manager, an IDFG employee, shall operate the water supply lines, which are facilities of CFH, from Dworshak Dam to the distribution box to meet the needs of both CFH and DNFH.

4. The Federal Energy Regulatory Commission (FERC), in accordance with the Federal Power Act, issued License No. 10819-002, dated August 4, 1998, to the Idaho Water Resource Board for the construction, operation and maintenance of the Project. Article 305 of the License required the Licensee to enter into an operating Memorandum of Agreement with the Corps (who owned the pipeline at the time) to protect the interests of the Federal Government and to insure the continuity of the CFH and the DNFH operations.

5. The Corps and Board entered into a Memorandum of Agreement (MOA) executed on September 13, 1993, which described the rights and responsibilities of the Corps and Board in the design and construction of the Project. Article 2 (10) of the MOA required the

parties enter into a subsequent agreement addressing operation and maintenance of the Project.

6. The Board and Bonneville Power Administration (BPA) entered into a Settlement and Contingent Power Purchase Agreement on April 30, 1990 establishing terms for the purchase of the Project's electricity.

7. The Service operates the DNFH under agreement with the Corps. The DNFH takes a portion of its water supply from the distribution box upon which the project largely will be built.

8. The authority of the Service to operate the CFH water supply which is the subject of this MOU, as well as its authority to permit Idaho Water Resources to use the water supply, is subject to a preexisting obligation to provide specific flows to the Corps for operation and maintenance of DNFH. No agreement contained or referenced in this MOU may interfere in anyway with the existing Service obligation to provide the required flows to DNFH and any express or implied agreement to the contrary is hereby declared null and void and shall not bind the parties to performance.

9. The Board plans to substantially complete the Project and undertake operation by August 4, 2000, and intends to use the water controlled by the CFH manager for the generation of electrical energy.

10. The Board intends to enter into an agreement with others to operate and maintain the Project.

The Service and Licensee agree to the operation and maintenance of the Project subject to the terms of the License and the conditions hereinafter set forth:

ARTICLE 1

PURPOSE

The purpose of this MOU is to set out the requirements for the operation, maintenance and use of certain facilities owned by the U. S. Government (Government) and needed by the Licensee for the operation of the Project. Additionally, this MOU serves to meet certain requirements and contractual obligations of the Board under Article 305 of FERC License 10819-002, the MOA with the Corps dated September 13, 1993.

ARTICLE 2

OWNERSHIP

A. Existing appurtenances and equipment for the CFH and DNFH including appurtenances and equipment at the water distribution box are presently owned by the Government and shall remain the property of the Government. The Service has jurisdiction of the property. (See U.S. Army Corps of Engineer, Walla Walla, Washington District, original contract drawings Inv. No. 90-B-32 for the Clearwater Fish Hatchery Water Supply and related change orders.)

B. Licensee shall retain ownership of all equipment installed by Licensee to operate the Project. Licensee shall retain ownership to the Project including the powerhouse superstructure above the powerhouse floor, the turbine and generator, the power transformer and turbine intake piping and valves, and all other appurtenant features (hereafter referred to as Project Structures).

C. However, in the event that the Project is abandoned or removed by Licensee, the powerhouse superstructure and floor shall remain an integral part of the existing facilities and title shall pass to the Government by virtue of said action. The Licensee shall remove all other Project Structures and restore the premises to the satisfaction of the Service in accordance with Article 30 of the Terms and Conditions for FERC license 10819-002. If the Licensee fails or neglects to remove said property or restore the premises, then at the option of the Service, the property shall either become the property of the Government without compensation therefore, or the Service may cause the property to be removed and no claim for damages against the Government or its officers or agents shall be created by or made due to such removal or restoration. The Licensee shall also pay the Service on demand any sum which may be expended by the Service in restoring the premises.

ARTICLE 3

ACCESS

A. The Service, its agents, contractors and those employees designated by the CFH manager shall at all times have free and unrestricted access to, through, and across all Project lands and appurtenances wherever access is required for performance of normal operation and maintenance duties as well as during times when such access would be required to protect health and safety. In order to assure safety to persons and property, the Service and CFH hatchery personnel shall attempt to provide the Board prior notification of access and security during periods of access.

B. Access onto CFH and DNFH by Licensee personnel, or its representatives, must be approved by the operating manager of the respective fish hatchery.

C. Access to the distribution box exit pipelines or inlet pipelines located above the inlet plug valves, must be authorized by the CFH manager and, for the DNFH exit pipeline, by DNFH or Corps personnel.

ARTICLE 4

OPERATIONS

A. Project water flows from Dworshak Dam will be determined and controlled by the CFH manager (acting as an agent of the Service) based on the fish production needs of CFH and DNFH. Primary communications shall be provided by the System Control and Data Acquisition (SCADA) equipment to the control equipment with notification to the operator of the Project as mutually agreed upon by the CFH manager and the Licensee. Secondary communications shall be through a computer telephone modem to the control equipment.

B. An emergency, as referred to in this section, is defined as an event that could reasonably lead to the sudden or catastrophic loss of life, property or fish resources. The CFH manager or a designated representative shall determine when an emergency situation exists and will advise the Licensee, DNFH manager, Corps, and Service of the emergency as soon as possible. An emergency situation shall include, but is not limited to, an earthquake, flash flood, tornado, or mechanical failure of gates or valves. In response to an emergency, the CFH manager may take appropriate action, as provided in Exhibit B, including terminating Project operations, provided that any action taken directly by the CFH manager to change the Project operating status will be communicated to the Licensee or its designated representative as soon as possible. The CFH manager, the Service, or the Corps will not be held liable for damage to Licensee's facilities during emergency situations.

C. After construction is complete, a testing program of control features shall be accomplished to determine the actual normal and emergency operating features. The testing program's emergency operating features will be included as a part of the Emergency Action Plan described in Exhibit B of this MOU.

D. The Project will be operated locally and will be visited and monitored on a regular basis by the Licensee's operation and maintenance personnel. The Licensee will monitor the Project status and alarm indicators as provided in Exhibit B.

E. The Licensee will be responsible for operating the turbines and the bypass system in cooperation with the CFH manager. In the event of a load rejection, turbine deflector blades shall automatically move to deflect the incoming water away from the turbine runners allowing the turbine-generator to roll to a stop and flow to the hatcheries to continue.

F. The Licensee shall obtain written consent from the Service and Corps before any modifications are made to the Project Structures or to the Project operations which might affect operations of CFH or DNFH.

G. The Licensee shall be responsible for pollution caused by it and its agents. The Licensee shall not unlawfully pollute the air, ground or water or create a public nuisance. The Licensee shall at no cost to the Government, promptly comply with present and future federal, state and local laws, ordinances, regulations, or instructions controlling the quality of the environment. Nothing in this section shall affect the Licensee's right to challenge the validity of any law or seek injunctive relief.

H. The Licensee shall be responsible for, and have sole operating responsibility for, equipment as outlined in Exhibit A.

I. The Licensee shall adhere to all provisions of the current Occupational Safety Health Administration (OSHA) requirements and the Idaho General Safety and Health Standards (see Idaho Division of Building Safety).

ARTICLE 5

INTERRUPTION OF WATER FLOW

Flow of water in the CFH pipeline to and from the Project shall be in accordance with schedules established by the CFH manager. Interruptions of flow of more than short durations may be necessary at times for hatchery operations, maintenance, or repair. This MOU does not guarantee flows beyond those needed to safely and properly operate CFH and DNFH. Flow of water from the Project to CFH and DNFH shall not be interrupted by the operation or maintenance of the Project unless approved in advance by the CFH manager or in case of emergency as described in Article 4.B and Exhibit B.

ARTICLE 6

MAINTENANCE

A. All costs necessary for the maintenance, repair, replacement, and proper operation of the following facilities shall be the sole responsibility of the Licensee. These facilities include, but are not limited to:

- (1) The Project Structures as defined under Article 2.B. of this MOU.
- (2) Grounds care and security measures of established areas of Project Structures known as the "compound."
- (3) Remote status and alarm equipment.
- (4) Distribution box lights, panelboards, and project valves and piping other than the Bailey polyjet ported sleeve valves and associated piping.
- (5) Powerhouse floor.

B. Limitations and controls on maintenance and post project actions by the Licensee.

- (1) The Licensee shall coordinate its operation and maintenance activities so as not to interfere with the maintenance crews and the maintenance programs of the CFH manager.
- (2) The distribution structure and all appurtenant facilities including the equipment in the pre-license Government structure, shall not be altered, replaced, or removed without the express written consent of the Service.

C. All costs necessary for the maintenance, repair, replacement, and proper operation of non-Project facilities shall be the sole responsibility of the following parties:

- (1) The valves and pipeline from the intake to the distribution structure and the distribution box interior structures below the powerhouse floor and the overflow piping will be the responsibility of CFH (under agreement with the Service).
- (2) Routine maintenance, repair, replacement, and proper operation of the valves and pipeline from the distribution box to DNFH will be the responsibility of DNFH (under agreement with the Corps). The Corps will assist with non-routine maintenance, if required.)

D. The CFH manager will provide as much notice as possible of any maintenance activity that might affect the Project.

ARTICLE 7

PROJECT MODIFICATIONS

The Licensee shall undertake no change to the Project, which in the opinion of the Service may affect the structural integrity of the CFH distribution box, inlet piping, outlet piping, or related items or their operation, without first obtaining the written consent of the Service, whose response shall not be unreasonably withheld or delayed.

ARTICLE 8

INSPECTION BY THE GOVERNMENT AFTER CONSTRUCTION

A. The Service shall have the right to inspect the Project Structures to ensure that the Project is being operated and maintained in a manner that will not endanger the structural integrity or operation of the CFH and DNFH water supply lines and appurtenances. Each party shall furnish such plans, drawings, specifications, documentation and information pertaining to its equipment, facilities, or requirements as may reasonably be requested by the other party to perform or exercise its rights or obligations under this MOU. During inspections, the Licensee may be required to de-water the Project Structures to facilitate inspection. Timely written notice of these scheduled inspections shall be given to the Licensee by the Service and shall be scheduled, to the extent practicable, so as to minimize interruption to Project generation. The Service shall provide copies of all inspection reports to the Licensee and the FERC. The Licensee shall only reimburse the Service for costs of inspections pertaining to the Project Structures. The Licensee shall not be required to reimburse the Service for the cost of routine inspections of the CFH water supply line or to the Corps for inspections of the DNFH water supply line.

B. The Licensee will promptly correct all deficiencies associated with the Project Structures identified by the Service, to the extent such deficiencies pertain to the operations or the structural integrity of the CFH water supply line and associated facilities. Should the Licensee fail to make such necessary repairs in a timely and acceptable manner, the repairs will be made by the Service and the Licensee will reimburse the Service for the actual costs of said repairs, including engineering and administrative costs. If the Service makes such repairs to Project Structures, the Licensee shall have the right to review the Service's books and records to verify the accuracy and appropriateness of such reimbursement of costs.

ARTICLE 9

TRAINING

The Licensee will provide training for designated CFH, DNFH, Service, and Corps personnel expected to respond in the emergency shut down of the Project system. The Licensee shall conduct a refresher course each year for the designated personnel to ensure familiarity with the Project installation and operation. The CFH, DNFH, Service, and Corps shall each pay their own salary costs associated with the training. Other costs, such as travel and supplies, shall be paid by the Licensee. (Training will conform to 29 CFR 1910.269; *Occupational Safety and Health Standards -Electrical Power Generation, Transmission and Distribution.*)

ARTICLE 10

LIABILITY

A. The Licensee hereby agrees that all claims, personal injury, death, property damage, arising solely out of the Licensee's activities under this MOU are the liability of the Licensee. In the event that a claim, personal injury, death or property damage is caused by joint negligence of the Licensee and Service (or its agents), the parties will attempt to resolve liability.

B. The responsibility for repairing any damage to the CFH water supply lines and its appurtenances as a result of the Licensee's deviation from the requirements of this MOU will be the responsibility of the Licensee.

C. Licensee is not liable for any environmental mitigation or control that may be required as a result of any previous Service action or on any previously installed or maintained Service property associated with this MOU.

ARTICLE 11

DISAGREEMENTS

Differences between the Licensee and the Service will be settled at the LSRCP Office and Regional Office levels if at all possible. Lacking resolution, the Service, Licensee and FERC staff will meet to resolve the dispute.

ARTICLE 12

ASSIGNMENT

The Parties shall not delegate any duties under this MOU or assign any benefits without the prior written consent of the other party. In the event a delegation of duties or an assignment of benefits is approved by the other Party, the Parties agree to bind every such delegate or assignee with the terms and conditions of this MOU.

ARTICLE 13

TERM

This MOU shall become effective on the day of execution by all signatories. The terms of this MOU will be reviewed at least once every five years and may be modified by written amendment as necessary. The term shall be concurrent with that of the License and upon termination of the License, this MOU shall also terminate.

ARTICLE 14

EXHIBITS

The following Exhibits are incorporated into the MOU by this reference:

Exhibit A: Areas of Responsibility

Exhibit B: Project Operation Procedures

Exhibit C: Clearance Procedure Summary

Exhibit D: Memorandum of Understanding between Clearwater Fish Hatchery, Dworshak National Fish Hatchery, and the U.S. Army Corps of Engineer's Dworshak Project for the Operation and Entrance Requirements for the Hatchery Water Supply System

ARTICLE 15

NOTICES

Any notice, demand or request authorized or required by this MOU shall be deemed to have been given on behalf of the Licensee when hand delivered or three days after mailed, postage prepaid, to each of the following:

LSRCP Coordinator
Fish and Wildlife Service
1387 South Vinnell Way, Suite 343
Boise, Idaho 83702

and on behalf of the Service, when hand delivered or three days after mailed, postage prepaid, to:

Chairman
Idaho Water Resource Board
1301 North Orchard St
P.O. Box 83720
Boise, ID 83720-0098

The designation of the addressee or the address may be changed by notice given in the manner as provided in this article for other notices.

The Parties of this MOU have executed this MOU in duplicate.

U. S. FISH AND WILDLIFE SERVICE
Lower Snake River Compensation Plan

By: 


(Name) Dan Herrig
(Title) LSRCP Coordinator

IDAHO WATER RESOURCE BOARD

By: 

(Name) Clarence Parr
(Title) Chairman

Concurring:



Tom Rogers
Idaho Department of Fish and Game
Fisheries Bureau, Anadromous Hatchery Supervisor

Exhibit A

AREAS OF RESPONSIBILITY

The Licensee will provide for operation and maintenance for all the equipment installed by the Licensee at the Service's CFH with its water supply line including those facilities identified in Article 6(A) of this MOU. Licensee's area of responsibility include the following:

1. All equipment installed or retrofitted for use by Licensee including:
 - a. The 24.9 kV power line from the Licensee's transformer to and including the revenue meter at the 24.9 kV side of Clearwater Power Company's (CPC) Ahsahka Substation.
 - b. All associated water passages installed by the Licensee from the exit-flange face of the distribution structure's outside-the-building inlet plug valves V-29 and V-8, through the turbines to the distribution box. Except that the Licensee shall have no responsibility for water passages in existence prior to construction of this Project including the Bailey polyjet ported sleeve valves.
 - c. All incoming power supply lines from Clearwater Power Company to the Licensee's emergency electrical supply system, which includes the power supply for the Service's equipment at the distribution structure. This equipment includes the four Bailey polyjet ported sleeve valves owned by the Service.
 - d. SCADA - System Control and Data Acquisition System components and communication links.
2. The Licensee and CFH manager shall cooperatively manage and operate all equipment that controls the generator and water supply for the Project.

Exhibit B

PROJECT OPERATION PROCEDURES

1. In the event equipment should fail at the Project, an automatic dialing device located in the powerhouse will first call the Licensee's operator, and if necessary the numbers listed in the Emergency Action Plan in sequence until there is a response with a key code acknowledgment. At the same time the SCADA monitor at the Clearwater Fish Hatchery will also alert the manager who will take appropriate control action to mitigate any impact to personnel, property or hatchery operations.
2. After receiving a call, the Licensee's operator will call the manager at the Clearwater Fish Hatchery to confirm contact and advise as to the estimated time of arrival at the project.
3. Failure of the Licensee's personnel to respond to the call or delayed arrival at the project may require action by CFH personnel.
 - a. If the Licensee's personnel do not advise CFH manager of call receipt within ten minutes, CFH manager shall have back up phone numbers to contact for instructions.
 - b. If the Licensee's personnel are unable to respond within the critical time, IDFG operators should proceed with the actions outlined in Step 4 below.
4. Licensee shall prepare an Emergency Action Plan subject to the approval from the Service and Corps, which describes the prescribed response to foreseeable emergencies.

Exhibit C

CLEARANCE PROCEDURE SUMMARY

1. Clearances, Lock-Out/Tag-Outs will be used at all locations. All equipment will be cleared to its least energized state. If equipment cannot be totally de-energized, the appropriate supervisor and craftsmen will be consulted to decide cooperatively how best to work on the equipment.
2. Qualified personnel will submit Clearance, Lock-Out/Tag-Out requests to the Licensee's operator on duty (Operator). The Operator will process the request and perform or direct the required switching or clearance operations.
3. The clearance requester will verify proper placement of the clearance cards or Lock-Out devices and the proper positioning of equipment energy source devices (breakers open, valve closed, etc.)
4. The clearance requester will install any personal grounds required for safety. This ground will be noted on the clearance form.
5. No one may remove a clearance card or lock without authorization of the issuing Operator.
6. No one may operate any equipment that has a clearance card or lock attached.
7. When the equipment is ready for service, the Operator shall inspect the equipment, remove the clearance cards and/or locks and return the equipment to normal operating condition. The Operator will then check the clearance form to insure all points of clearance were released and required to normal operating position.
8. Any Contractor, employee of a Contractor, or Subcontractor employed by the Licensee to provide services at the Project shall be required to undergo training in regards to all requirements of this Clearance Procedure.

Exhibit D

MEMORANDUM OF UNDERSTANDING

BETWEEN THE CLEARWATER FISH HATCHERY, DWORSHAK NATIONAL FISH HATCHERY AND THE U.S. ARMY OF CORPS OF ENGINEERS DWORSHAK PROJECT FOR THE OPERATION AND ENTRANCE REQUIREMENTS FOR THE HATCHERY WATER SUPPLY SYSTEM.

Definition

Clearwater Fish Hatchery will be referred to as "Clearwater FH" or "CFH". Dworshak National Fish Hatchery will be referred to as the "Dworshak Hatchery" or "DNFH". The Dworshak project of the U.S. Army Corps of Engineers will be referred to as the "Dworshak project" or "project".

Purpose

This Memorandum of Understanding (MOU) describes the roles, responsibilities and safety requirements of the signatory parties for the operation, maintenance and emergency procedures related to the water supply line from Dworshak Reservoir to the Clearwater Fish Hatchery and Dworshak National Fish Hatchery. All parties agree to the responsibilities and procedures outlined in this MOU.

PART I PROJECT DESCRIPTION

I Authorization and Location

The Clearwater Fish Hatchery Water Supply System is part of the Lower Snake River Compensation Plan (LSRCP) Program. The LSRCP was established by the Water Resources Development Act of 1976 (Public Law 94-587) to compensate for losses caused by the lower Snake River dams. The Clearwater Fish Hatchery water supply system delivers water from Dworshak Reservoir to the CFH and DNFH. The hatcheries are located near the confluence of the North Fork and the main stem of the Clearwater rivers near Ahsahka, Idaho.

II Brief Description of Project

The CFH water supply system consists of primary and secondary pipelines. The primary pipeline is equipped with a selective withdraw intake screen that allows water at selectable temperatures to be withdrawn when available. A floating platform allows the intake screen to be adjusted from 5 to 50 feet below the water surface. The secondary pipeline has a fixed low level intake that provides water at a temperature that is consistently near 40°F. Both pipelines are routed through Dworshak Dam and then down the face of the dam along the spillway training wall. The pipelines are then buried and follow the left bank of the North Fork Clearwater River to the distribution structure. The distribution structure is the transition between the incoming high pressure piping and outgoing low pressure piping. The distribution structure provides stilling wells for energy dissipation valves and distributes flow between the two fish hatcheries. Two

lines from the distribution structure supply the DNFH with supplemental water. The distribution structure also provides a connection to the secondary pipeline for a potential future municipal and industrial (M&I) hookup for the City of Orofino.

III Construction History

The Clearwater Fish Hatchery Water Supply System was constructed under one contract let by the U.S. Army corps of Engineers. A copy of the construction report is on file at the Walla Walla District Corps of Engineers library in Walla Walla, Washington. The construction contract number, contractor, construction start date, and beneficial occupancy date are shown below:

Project Title: Clearwater Fish Hatchery Water Supply
Contract No.: DACW687-90-C-0030
Contractor: Harcon Inc. and S.A. Gonzales Construction, Inc.
A Joint Venture
P.O. Box 2661
Pocatello, Idaho 83201
Construction Start Date: 28 August 1990
Beneficial Occupancy Date: 15 April 1992

PART II METHOD OF OPERATION CLEARWATER FISH HATCHERY PIPELINE

I PRIMARY INTAKE STRUCTURE

Adjustments to the level of the primary intake screen will be determined by locating the seasonal thermocline in the reservoir of 56 to 58°F water temperature. The screen will be raised or lowered to this thermocline. These adjustments will be done by CFH staff.

The primary intake is located inside the log boom security area on the face of Dworshak Dam. Prior to entrance of this security area a 24 hour minimum notice is to be given to the operator at the Dworshak Dam. On the day of entry in to the security area, prior to entrance, Clearwater FH staff will notify the on duty operator at Dworshak Dam. After the adjustments or cleaning has been performed on the primary intake screen and the boat has left the security area Dworshak Dam operator will be notified they have left the area.

The intake was modified under the following contracts.

<u>Contract Number</u>	<u>Project</u>	<u>Contractor</u>	<u>Start</u>	<u>Date</u>
DACW68-95-C-0011	Clearwater Hatchery Emergency Isolation Valve	Knight Construction & Supply Company	12/94	5/30/95
DACW68-97-C-0017	Clearwater Hatchery Water Supply Modifications	Advanced America Diving Service, Inc.	3/97	9/30/97

The CFH manager will schedule a diver to inspect the primary intake screen when determined to be necessary. (The screen was designed so that it would not clog but our experience shows that the algae in the reservoir will completely plug the primary intake screen).

II PIPELINES FROM INTAKE TO CLEARWATER FISH HATCHERY

Routine inspections and maintenance of the pipelines will be the responsibility of the CFH. This approach has resulted from design review meetings conducted by the COE.

A. Maintenance

All maintenance of valves and pipeline from the intake to the distribution structure will be the responsibility of CFH.

III DISTRIBUTION STRUCTURE

Any adjustments to the ported sleeve valves on the primary and secondary pipelines will be accomplished by the manager or CFH staff. Each supply line is equipped with two ported sleeve valves. Never at any time will more than one ported sleeve valve be operated unless it is during the switch over process from one valve to another. The manager of CFH will notify the manager of DNFH of any adjustments or maintenance work which may impact distribution to DNFH.

IV DISTRIBUTION TO DWORSHAK NFH

The supply valves on the secondary and primary lines from distribution structure to the DNFH will remain at preadjusted levels. The amount of flow will be controlled by DNFH manager or his staff. Prior to any adjustments, requiring more or less water from either pipeline, notification will be given to the CFH manager. This is to protect from damage to the distribution structure and pipelines resulting from either hatchery calling for more water than available and causing cavitation in the supply pipelines.

A. Maintenance

All routine maintenance of valves and pipeline from the distribution structure to DNFH will be the responsibility of DNFH. The COE will assist with non-routine maintenance, if required.

V. DISTRIBUTION TO CLEARWATER FH

All adjustments for water flowing from the distribution structure to CFH will have prior approval from CFH manager or a designated representative and will be accomplished by the CFH staff under the managers direction.

PART III

OPERATION AND MAINTENANCE

I. GENERAL

A. Scope

This section describes the equipment and routine operation and maintenance procedures for the water supply system. It also describes procedures for various emergency situations. The value of this manual is dependent upon how it is used. For this reason, additional reference data and revised procedures and parameters should be inserted into the manual as dictated by changing conditions and operator experience with this particular facility.

B. Responsibility

The operation and maintenance of the Clearwater Fish Hatchery Water Supply System from Dworshak Dam to the distribution structure, including the intake screens and energy dissipation valves, is the responsibility of the CFH personnel. The CFH personnel are also responsible for the system from the distribution structure to the CFH. The DNFH personnel, with COE assistance, when required, are responsible for the system from the distribution structure to DNFH. The Dworshak Dam operator shall be notified when problems arise with the water supply system, and specifically during emergency situations.

C. Dworshak Project Entrance Requirement

Hatchery personnel shall abide by the Dworshak Project entrance requirement and safe clearance procedure while working in the secure project area. The secure project area includes the forebay protected intake area; the main dam and powerhouse; and the south abutment, hillside, and stilling basin wall.

II CLEARWATER HATCHERY WATER SUPPLY

A. Annual Valve Exercise

This exercise will occur after steelhead are completely transported and released from DNFH and CFH in the spring of the year. Coordination and scheduling of exercises will be the responsibility of CFH Manager. CFH will provide six personnel, DNFH a maximum of 2 personnel and electric operator wrench. 1) All rearing areas will be converted to secondary pipeline water only. 2) Pipeline shutdown will start a CFH and DNFH on primary pipeline and proceed upstream to valves inside the dam. Once emergency closure valves are exercised, energizing of the pipeline will begin at emergency closure valves and proceed downstream to both hatcheries. 3) Both hatcheries will then convert to primary pipeline water only and proceed with shutdown of secondary pipeline at each hatchery and proceed upstream to emergency shutdown valve. When exercise is complete, energizing of pipeline will begin at emergency valve and proceed downstream to both hatcheries. Annual exercise is now completed and both pipelines are back in operation.

PART IV INTAKE FACILITIES

I. GENERAL

A. General Description

The primary intake consists of a tee-screen suspended on a cable from a floating platform. The cable is attached to a winch that allows the depth of the intake screen to be adjusted. The screen is attached to a 48-inch polyethylene pipe. The polyethylene pipe connects to a 24-inch steel pipe at the face of the dam. The secondary intake consists of a drum screen mounted on the face of the dam at Elevation 1361.5 msl. The screen is connected to a 14-inch steel pipe. The 24-inch-diameter and 14-inch-diameter steel pipes pass through the upstream face of the dam and into the maintenance gallery in monolith 14. Inside the maintenance gallery, intake valves are installed to serve as emergency shutoff valves and pressure gauges are installed to measure the pressure differential on the intake screens.

B. Primary Intake Screen

(1) Description

The primary intake screen is a 7.5-foot-diameter by 23-foot-long Johnson tee-screen. The screen is suspended from a floating platform that is anchored to the upstream face of the dam (see Sheet 57.1 of the contract drawing). Access to the floating platform is by use of a boat stored at the CFH. The primary intake screen can be adjusted from 5 to 50 feet below the water surface using the winch on the floating platform. The water surface can vary between a maximum pool level of 1,605 msl and minimum pool level of 1,455 msl. The proper depth to provide the desired temperature is determined by taking temperature measurements from the platform with a portable, hand-held temperature gauge.

(2) Operation and Maintenance

The intake screen is required to have a minimum submergence of 4 feet. A physical restraint is attached to the screen to prevent it from inadvertently being raised to less than 4 feet of submergence. The primary pipeline intake valve (V-1) must be closed before raising the primary screen out of the water for any maintenance procedures. Raising the screen out of the water prior to closing V-1 could cause failure of the pipeline. **CAUTION!** Follow the procedure described under Intake Valve for closing V-1. To avoid potential freezing problems at the water surface, the primary screen should be lowered to at least 20 feet below the water surface each fall when the temperature is approximately uniform in the top 20 feet of the reservoir, which is typically from about October to March. The wedge wire design of the screen is nonclogging and somewhat self-cleaning; therefore, additional means of cleaning were not considered necessary during the original design. However, experience to date indicates that some cleaning may be required. The screen has air backflushing connections so that backflushing equipment can be added in the future if necessary. The pressure gauge should be checked every two weeks and the screen should be inspected by a diver, if the differential pressure is rising

and approaching 60 inches, or at least twice a year to determine if cleaning or other maintenance is required. See next Section Pressure Gauge.

(3) Pressure Gauge

An ILT Barton differential pressure gauge is installed inside the maintenance gallery to measure the pressure differential across the primary intake screen. The pressure gauge is calibrated in inches of water and has a range between 0 and 60 inches. The maximum pressure differential allowed is 60 inches. Caution! Allowing more than 60 inches pressure differential could cause damage to the intake pipe and screen.

(4) Emergency Procedures

If the head differential across the primary screen exceeds 60 inches, perform the following procedures:

1. Contact CFH manager.
2. Contact DNFH manager.
3. Contact Dworshak Dam operator.
4. Throttle back the operating primary energy dissipation valve (V-9 or V-10) while monitoring the intake pressure differential to ensure that the pressure differential reduces to less than 60 inches. This will require personnel stationed at both locations with two-way radios to communicate.
5. Determine and correct the problem. Large pressure differentials could be caused by a plugged intake screen or pipeline flows greater than design capacity.

C. Secondary Intake Screen

(1) Description

The secondary intake screen is a 6.5 foot-diameter by 7.5 foot-long Johnson drum screen. The screen is wedge wire type having inwardly enlarging openings. The secondary screen is not adjustable and is mounted at Elevation 1361.5 msl.

(2) Operation and Maintenance

The wedge wire design of the screen is nonclogging and somewhat self-cleaning. Therefore, additional means of cleaning were not considered necessary during the original design. However, experience to date indicates that some cleaning may be required. The screen has air backflushing connections so that backflushing equipment can be added in the future, if necessary. The pressure gauge should be checked every two weeks and the screen should be inspected by a diver, if the differential pressure is rising and approaching 60 inches. See Section Pressure Gauge.

PART V

ENTRANCE REQUIREMENTS AND SAFE CLEARANCE PROCEDURE FOR NORMAL OPERATION AND MAINTENANCE AND EMERGENCY CONDITIONS FOR THE CLEARWATER FH

I WATER SUPPLY SYSTEM

A. Purpose

The purpose of this section is to provide an understanding of the entrance requirements, Safe Clearance Procedure, and project personnel interaction with CFH and DNFH personnel during normal O&M and emergency conditions within the secure area of Dworshak Project. The secure project area includes the forebay protected intake area, the main dam and powerhouse, south abutment dam face, hillside, and stilling basin wall.

B. Conditions

(1) General

Activity requiring either CFH or DNFH personnel to enter Dworshak Project secure area will be coordinated with the powerhouse control room operator prior to entry into the secure area. Work requiring access to the floating platform in the intake area will require the requesting and issuance of a safe clearance on spillway machinery (safe clearance on regulating outlet machinery is not required unless diving operations are necessary). A clearance will be issued to the shift operator and then an identical clearance will be issued to an authorized hatchery person who has been trained in the Dworshak Project Hazardous Energy Control Program. A notice of intent will be provided to the control room operator a minimum of a day prior to issuing the clearances. Hatchery personnel will verify the safe clearances have been placed on the machinery before accessing the platform. Hatchery personnel that have been working in the secure area will immediately communicate to the shift operator the completion of their work and confirmation of exiting the secure area. They will then coordinate the release of their safe clearance.

(2) Normal operation and maintenance:

Scheduled inspections and adjustments of equipment within the secure area will be made entirely by hatchery personnel. Results of the inspections will be communicated to the Dworshak Operations and Maintenance Manager.

(3) Emergency Situation:

The shift operator will not normally be available to assist in operations outside the control room such as closing the intake valves, etc.. Hatchery personnel will immediately notify the shift operator of the emergency condition and describe any potential effect on the dam or powerhouse. If the emergency requires a boat to go into the protected intake

forebay area, a safe clearance on the spillway must still be requested and implemented before entering the area. If hatchery personnel are required to go to the pipe penetration area they must notify the shift operator just prior to their entrance and immediately after their exit. The COE shift operator will contact supervisory personnel who will direct or make further communication as required. Under an acute emergency condition, COE personnel would be made available to assist hatchery personnel.

PART VI RESPONSIBILITIES

I Corps of Engineers

- A. To report to the CFH and DNFH managers any problems or suspected problems.
- B. To provide to CFH personnel two project entrance keys.
- C. To inform CFH personnel (and provide copy) of safe clearance procedures.
- D. To provide available help as allowable during an acute emergency.
- E. To provide an adequate access to the 1385 gallery and the 1360 pipe penetration gallery.
- F. To maintain lighting in these areas and reliable power to the control valves.

II Clearwater Fish Hatchery

- A. Hatchery personnel will inform the shift operator before entering the project secure areas and renotify when leaving.
- B. The hatchery will provide Dworshak Project a copy of their inspection reports.
- C. The hatchery personnel will abide by the Dworshak Project Hazardous Energy Control Program while working in the secure project area.
- D. Hatchery personnel will secure Dworshak Project access keys and immediately report if lost or stolen. They will also ensure Dworshak Project security by keeping all doors, used for their access, secure.
- E. The hatchery will inform DNFH manager of any problems which could impact flow to DNFH.

III Dworshak National Fish Hatchery

- A. Hatchery personnel will coordinate any flow adjustments which may impact CFH with the CFH manager.
- B. Hatchery will provide a available help to CFH manager when requested in emergency, maintenance or water flow adjustments.

HATCHERY MANAGERS

U.S. ARMY CORPS OF ENGINEERS

Jerry McGehee

10/21/98

Jerry McGehee
Date
Manager, Clearwater FH
Idaho Department of Fish and Game

Gregory A. Parker

11/2/98

Gregory A. Parker
Date
Operations & Maintenance Manager
Dworshak Project

Bill Miller

10/21/98

Bill Miller
Date
Manager, Dworshak NFH
U.S. Fish and Wildlife Service

Charles R. Krahenbuhl

11/4/98

Charles R. Krahenbuhl
Date
Operations Manager
Eastern Operating Projects
Dworshak Project

Attachment F- Confidentiality Agreement
(To be Attached with Final Contract)