



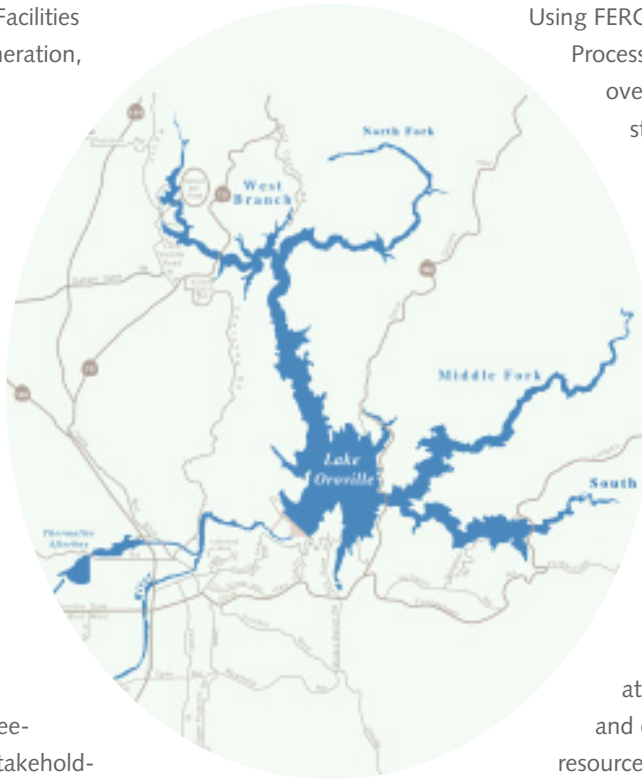
Oroville Facilities

Highlights of the Settlement Agreement for Licensing



PREAMBLE

Since 1968, the Oroville Facilities have provided power generation, water supply, flood management, water quality improvement in the Sacramento-San Joaquin Delta, recreation, and fish and wildlife enhancement benefits to millions of Californians. The facilities currently operate under a license issued by the Federal Energy Regulatory Commission (FERC) that expires on January 31, 2007. This document provides highlights of a proposed Settlement Agreement among DWR and stakeholders, including regulatory agencies, that will be submitted to FERC for its consideration in continuing these benefits under a new 50-year license. The Settlement Agreement also includes measures that are intended to satisfy the respective authorities of the State and Federal regulatory agencies under the Federal Power Act and Clean Water Act.



Using FERC's Alternative Licensing Process (ALP), DWR contacted over a thousand highly diverse stakeholders representing local interests and governments, State and Federal resource agencies, water agencies, non-governmental organizations and Native American tribes to help develop proposed terms and conditions for a new license. The resulting Settlement Agreement identifies actions by DWR that will benefit environmental, recreational, cultural, land use, and engineering and operations resources. These actions represent both new measures and enhancements to existing broad efforts by DWR and other agencies performing a stewardship role of these resources. The signatories are requesting that this comprehensive Settlement Agreement package, which includes proposed benefits outside of FERC's jurisdiction, be used when FERC issues a new license for the Oroville Facilities.

Note: This document provides highlights of the Settlement Agreement and is not intended to be a legal description of the Agreement.

OVERVIEW

The Agreement Proposes New License Measures in the Following Major Areas

License Management



The Agreement proposes enhanced stakeholder committees to provide continuing advice to DWR through the life of the new license. Many of the resource management plans described below are designed as adaptive management plans to respond to new conditions.

The Agreement also addresses financial responsibility for the new license in a manner that does not impede implementation schedules.

Recreation Management



A new Recreation Management Plan proposes to adaptively respond to recreation demand and address community interest in realizing the benefits of a robust and high quality recreation experience for visitors over the 50-year license term.

A Project Supplemental Benefits Fund of \$62 million allows the local region to plan and build projects which provide supplemental benefits outside of the project boundary.

Environmental Management

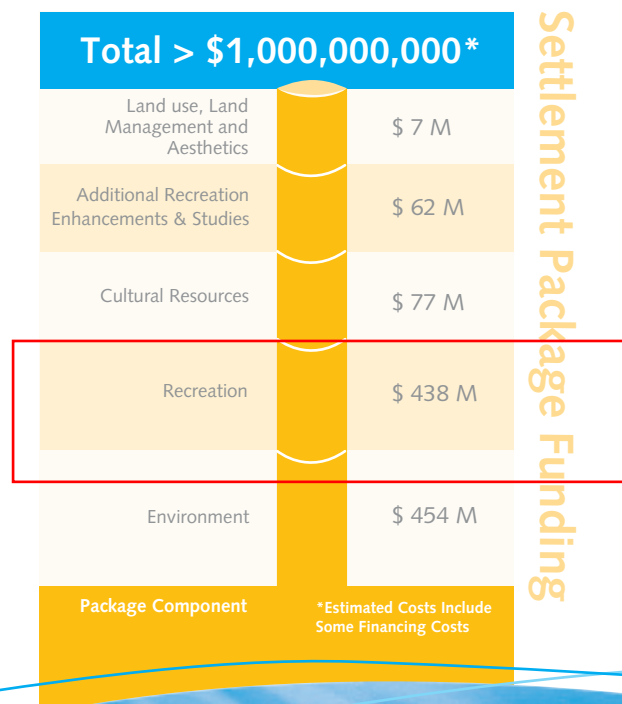


Several programs and plans call upon DWR to manage water flows and temperatures, increase habitat, and provide for other related actions benefiting salmon, steelhead, and riparian plants and wildlife within the project boundary. A companion Habitat Expansion Plan recognizes a regional management plan to expand

the amount of spawning, rearing and adult holding habitat available for Central Valley spring-run Chinook salmon and Central Valley steelhead.

Historic Properties Management Plan

This plan manages important historic and cultural resources with continuing input from Native Americans and other interested parties by providing for identification of historic properties and data recovery and/or protection, access to land for traditional Native American plantings, establishment of a curation facility, and expansion of DPR's site stewardship program.



PROCESS

Oroville Facilities – Balancing Project Resources



The Settlement Agreement proposes measures to balance vital water supply, power generation, environmental, recreation, cultural resource and flood control benefits for Californians.

DWR held initial collaborative meetings in 2000, identified resource issues, developed studies, filed an Application for a New License in January 2005, and negotiated a Settlement Agreement by early 2006.

The license measures proposed under the Settlement Agreement will undergo environmental review by State and Federal resource agencies and FERC. After securing a Water Quality Certification from the State Water Resources Control Board and Biological Opinions from the U.S. Fish and Wildlife Service and National Marine Fisheries Service, FERC will issue a new license in early 2007.

2000

- Initial Public Meeting
- Request for ALP filed with FERC
- Plenary and Work Group Meetings Initiated
- Issues Scoped

2001

- Issues Scoped
- Study Plans Prepared

2002

- Study Plans Completed

2003

- Development of PM&E Measures Initiated
- Study Results Developed
- Settlement Discussions Formulated

2004

- Development of Study Results Continued
- Settlement Negotiations Initiated
- DWR Draft Offer of Settlement Released
- DWR Draft License Application and Draft PDEA Filed with FERC

2005

- DWR Final License Application and PDEA Filed with FERC
- Settlement Negotiations Continued

2006

- Settlement Negotiations Concluded
- Settlement Agreement Signed by Parties
- Signed Settlement Agreement Filed with FERC

2007

- Water Quality Certification Issued by State Water Resources Control Board
- Final License Order Issued by FERC

PROJECT TIMELINE

WIDESPREAD PUBLIC BENEFITS



The benefits of the Settlement Agreement to the local Oroville area and broader region include increased recreational facilities and the provision of a community-controlled supplemental benefits fund. Additional benefits include improved opportunities for public involvement in implementation of the new project license.

Project Supplemental Benefits Fund

To complement the recreation resources provided within the project boundary, a Project Supplemental Benefits Fund is established, providing economic resources to be used toward projects selected by local participants. A Fund Steering Committee will govern the use of at least \$62 million in funds granted to the community over a 50-year license term. In addition, the State Water Contractors and the Fund Steering Committee will adopt a partnership approach to soliciting additional grant funds.

Future Recreation Enhancements/ Monitors and Triggers

The Recreation Management Plan developed as part of the Settlement Agreement provides \$438 million in recreation improvements over the anticipated 50-year term of the new license. In addition, an innovative “monitors and triggers” agreement establishes key indicators that will be tracked at set frequencies. If the resulting data indicate that facilities are reaching their capacities, potential solutions such as new facility construction or other actions will be identified. This adaptive management approach to recreation will ensure that, as recreational activities and needs shift during the license term, adjustment of recreation facilities will be considered accordingly.

Interim Projects

Early in the ALP, DWR agreed to expedite community desired enhancement activities prior to new license issuance and immediately implemented multiple interim enhancements. These actions, which are acknowledged in the Settlement Agreement, included: restroom installations and upgrades, Loafer Creek equestrian campground improvements, group staging area construction, Bidwell Bar Bridge historical exhibit, Saddle Dam equestrian parking area improvements, Lake Oroville overlook improvements, reseeding of Oroville Dam, Model Aircraft Flying Facility improvements, Sewim Bo River path walking trail and the Feather River Fish Hatchery landscaping improvements. DWR committed to these interim projects and others at a cost of \$500,000 to help illustrate the value of a collaborative process and set the stage for successful negotiations resulting in the current Settlement Agreement.



The Riverbend Park improvements project arose from the interim projects discussion to be recognized as the premier enhancement desired by the Oroville community. DWR agreed to contribute \$3 million for start-up efforts for the project and later provided additional funding to help keep the project on track. The State Water Contractors and the City of Oroville were instrumental in working with DWR and the Feather River Recreation and Parks District to help guide the project and make it a reality.

Other Notable Recreation Agreements

Feather River Water Trail

As part of the Recreation Management Plan, DWR will, with stakeholder input, determine suitable locations to enhance non-motorized shoreline access along the Feather River within the project boundary. This effort will include integrating existing boater put-ins and take-outs within the project with new sites in the southern portion of the Oroville Wildlife Area. DWR will fund and/or construct river access sites and will work with the Department of Boating and Waterways and other agencies to expand boating trail opportunities adjacent to the downstream boundary of the project. Additionally, maps and interpretive displays will be developed for the river access facilities.

Whitewater Boating Opportunity Feasibility Study

DWR will fund and implement a whitewater boating opportunity and recreation feasibility study. The results of this study will assist the Project Supplemental Benefits Fund Steering Committee in determining whether to fund the construction and operation of a whitewater boating project. The study will include a scoping process, a review of potential whitewater opportunities within the area, including park and non-park options, and a review of other existing and proposed whitewater boating opportunities in the region. The report will cover whitewater demand trends, market feasibility, and ownership and management options, and reach conclusions regarding the feasibility of constructing and operating a whitewater boating facility in the project area or region.

Historic Properties Management

DWR will implement a Historic Properties Management Plan to provide identification and as-needed data recovery of historic properties, stabilize and protect historic properties subject to project impacts, establish a curation facility, implement a signage program, expand the site stewardship program, eliminate motorized vehicle use within the fluctuation zone, and provide access to land for native plantings. Additionally, DWR will work with local tribes and interested parties to protect cultural resources at Foreman Creek while redirecting recreational use at that location.



uses a system of monitoring, reporting, and re-evaluating data based on science and measurable objectives to ensure that projects are managed most effectively and will achieve the greatest success.

In order to assist with monitoring, reporting and evaluation, and to provide opportunities for public involvement, the **Ecological Committee** and the **Recreation Advisory Committee** have been established through the Settlement Agreement. In addition, a



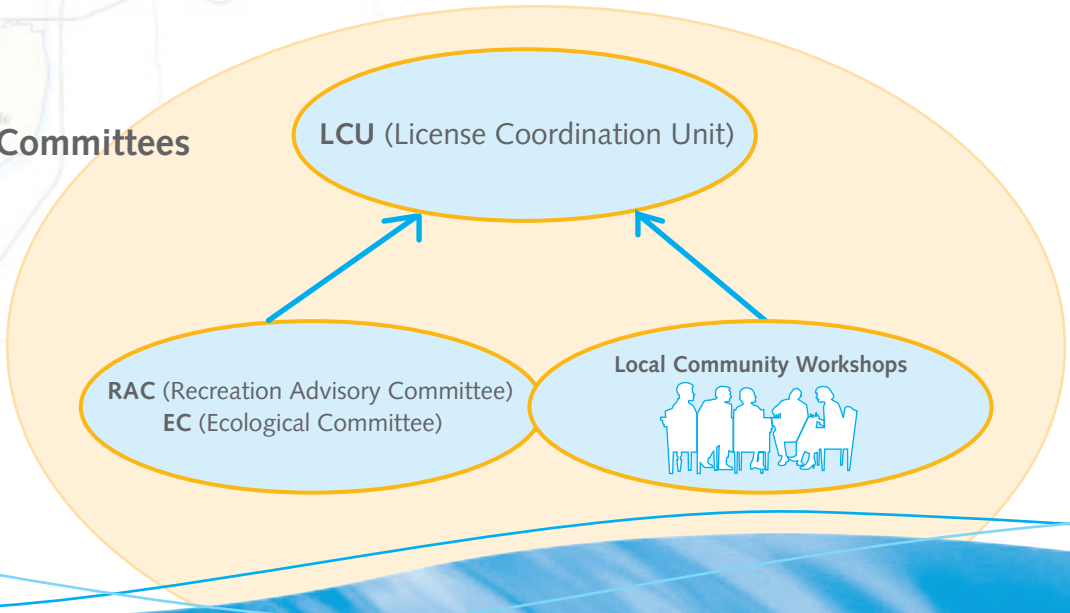
License Coordination Unit will operate from DWR's Oroville Field Division to manage implementation of the new license and to provide a local point of contact regarding license issues.

Public workshops will be held twice annually to gather input from the public and provide updates on the projects associated with the new license.

Adaptive Management Approach – Public/Community Involvement

The Settlement Agreement provides for adaptive management in order to create responsive plans during the life of the license. Adaptive management

Links among Committees



ENVIRONMENTAL ENHANCEMENTS

The environmental portion of the Settlement Agreement contains a wide variety of mitigation and enhancement measures to benefit threatened and endangered species, water quality, and riparian, floodplain, and terrestrial habitat throughout the Oroville Facilities.

Habitat Expansion

A unique Habitat Expansion agreement-in-principle establishes an approach for implementing actions most likely to provide for increased spawning, rearing and adult holding habitat to accommodate 2000-3000 additional spawning Central Valley spring-run Chinook salmon, with additional benefit for Central Valley steelhead. The agreement-in-principle combines commitments and resources from

the DWR as well as Pacific

Gas & Electric Company to enable a coordinated regional management approach in the Sacramento

River Basin. By expanding the suite of potential improvement actions, the agreement-in-principle creates the greatest opportunity to provide the most benefit for Central Valley salmonids. Such actions may include, among others, dam removals, dam re-operation, creation or enhancement of fish passage, water temperature/flow improvements, and other physical habitat enhancements.



Lower Feather River Habitat Improvement Program

The Lower Feather River Habitat Improvement Program creates an opportunity for concurrent management of a variety of actions to benefit threatened and endangered salmonids and other species in the Lower Feather River. The Program includes flow and temperature measures, water quality monitoring, instream and riparian habitat improvements, Feather River Fish Hatchery management, and the Oroville Wildlife Area Management Plan. These individual actions will be evaluated every five years for success and will be adjusted as needed in order to provide the enhanced benefits for salmonids, wildlife, and plant species potentially affected by Project operations.



Protection and Improvement of Terrestrial Habitat

Additional measures to protect and improve terrestrial habitat include measures to: protect vernal pool invertebrate habitat; minimize disturbances to special status species, including nesting bald eagles, California red-legged frogs, giant garter snakes, and Valley Elderberry Longhorn Beetles; construct and recharge brood ponds for nesting waterfowl; plant upland cover and forage crops; provide nest cover for upland waterfowl; install and maintain wildlife nesting boxes; and develop and implement an Invasive Plant Management Plan.

Sport Fishery Improvements

Measures to improve the recreational fishery in Lake Oroville include construction, operation, and maintenance of projects to improve warm water sport fishery habitat within the reservoir or fluctuation zone and the stocking of 170,000 yearling salmon or equivalents per year to improve the cold water sport fishery in the reservoir.

SETTLEMENT AGREEMENT SIGNATORIES FOR LICENSING OF THE OROVILLE FACILITIES

Alameda County Flood Control and Water
Conservation District, Zone 7

Alameda County Water District

American Rivers

American Whitewater

Antelope Valley – East Kern Water Agency

Arthur G. Baggett, Jr.

Berry Creek Citizens Association

California Department of Boating and Waterways

California Department of Fish and Game

California Department of Parks and Recreation

California Department of Water Resources

California State Horsemen's Association

California State Horsemen's Association Region II

Castaic Lake Water Agency

Central Coast Water Authority

Chico Paddleheads

Citizens for Fair and Equitable Recreation

City of Oroville

Coachella Valley Water District

County of Kings

Crestline – Lake Arrowhead Water Agency

DC Jones

Desert Water Agency

Empire West Side Irrigation District

Feather River Low Flow Alliance

Feather River Recreation and Parks District

International Mountain Bicycling Association

Kern County Water Agency

Kon Kow Valley Band of Maidu

Lake Oroville Bicyclist Organization

Littlerock Creek Irrigation District

Metropolitan Water District of Southern California

Mojave Water Agency

Napa County Flood Control and Water
Conservation District

National Marine Fisheries Service

Oak Flat Water District

Oroville Area Chamber of Commerce

Oroville Downtown Business Association

Oroville Economic Development Corporation

Oroville Parks Commission

Oroville Recreation Advisory Committee

Oroville Redevelopment Agency

Oroville Rotary Club

Palmdale Water District

San Bernardino Valley Municipal Water District

San Gabriel Valley Municipal Water District

San Geronio Pass Water Agency

Santa Clara Valley Water District

Solano County Water Agency

State Water Contractors

Town of Paradise

Tulare Lake Basin Water Storage District

United States Department of the Interior





ARNOLD SCHWARZENEGGER
Governor

MIKE CHRISMAN
Secretary for Resources
The Resources Agency

LESTER A. SNOW
Director
Department of Water Resources

RAPHAEL A. TORRES
Acting Deputy Director
Department of Water Resources

FACT SHEET

Settlement Agreement for Licensing of the Oroville Facilities

Summary of Settlement Agreement Provisions

Recreation/Community Enhancement:

- ✓ The Settlement Agreement Recreation Management Plan (SARMP) outlining improvements to be made, as well as monitoring and triggers leading to additional enhancements, as needed. The SARMP includes the following capital improvements:

➔ Lake Oroville Area Improvements

- Expand parking capacity at Bidwell Marina, Lime Saddle Marina, Oroville Dam Overlook Day Use Area, Enterprise, and at the Lake Oroville Visitors Center and Loafer Creek if needed
- Improve equestrian parking area at Saddle Dam Trailhead (completed)
- Provide additional boarding docks at Bidwell Canyon and Lime Saddle, Enterprise, Loafer Creek, and the Spillway Boat Ramps (number feasible will be based on determination of the optimum dock system configuration)
- Provide ADA-related upgrades at Bidwell Canyon Marina, Lime Saddle Marina and day use sites, and Loafer Creek campsites, parking area and paths
- Construct additional RV campsites at Bidwell Canyon, Loafer Creek, and Lime Saddle
- Add mid-ramp paved parking and additional lanes from the 750 foot elevation at the existing primary Bidwell boat ramp
- When lake levels permit, construct a new 3-lane boat ramp to very low lake levels (approximately 640 foot elevation)
- Extend boat ramp lanes to lower elevation at Enterprise
- Conduct a feasibility study of new swim facility options at Loafer Creek and Lime Saddle
- Provide additional floating campsites at Lime Saddle and in the West Branch or North Fork reservoir areas
- Upgrade or install additional toilet facilities at Saddle Dam Trailhead (completed), Loafer Creek, Enterprise, Dark Canyon, and Foreman Creek
- Provide a new fish-cleaning station at Loafer Creek
- Construct equestrian-related improvements at the Loafer Creek Equestrian campground (completed)
- Evaluate feasibility of a concessionaire-operated activity center and snack bar at Loafer Creek and Lime Saddle



- Improve the service road at Loafer Creek as a potential lower lake level car-top boat ramp
- Provide additional tent and group campsites at Loafer Creek and Lime Saddle
- Provide additional or improve current picnic facilities at Lime Saddle, Oroville Dam Overlook Day Use Area, Foreman Creek, Enterprise, and Saddle Dam Trailhead
- Provide additional roadside signs for easier site location at Stringtown, Vinton Gulch, and Dark Canyon car-top boat ramps
- Protect culturally sensitive areas at Foreman Creek
- Install a sign, barrier, or gate for safety purposes at the end of Stringtown and Nelson car-top boat ramps
- Provide interpretation and education signage at Foreman Creek, Lake Oroville Visitors Center, and Lake Oroville Scenic Overlook
- Improve fencing and trash facilities at Lake Oroville Scenic Overlook

➔ **Diversion Pool Area Improvements**

- Provide an ADA-accessible fishing pier or platform at the Diversion Pool
- Provide additional picnic facilities at the Diversion Pool
- Create vehicle access to the Diversion Pool at Lakeland Boulevard
- Construct a new shoreline day use area at Lakeland Boulevard
- Enhance existing (west shore) car-top boat ramp and add a new car-top boat ramp at the Lakeland Boulevard (east shore) access area
- Develop a non-motorized Sewim Bo Trail in the Low Flow Channel Area (completed)
- Provide interpretive signs at the Feather River Fish Hatchery Day Use Area and along the Sewim Bo Trail (completed)
- Enhance existing non-motorized boater put-in at the Feather River Fish Hatchery Day Use Area as part of the proposed Feather River Non-Motorized Boating Trail

➔ **Trails**

- Lakeland Boulevard Trailhead Access, includes water trough and hand washing facilities, evaluation of feasibility of Diversion Pool crossing to facilitate shorter trail loops and explore acquisition for Project lands for a possible new mountain bicycle trail to parallel the western portion of the Dan Beebe Trail
- Saddle Dam Trailhead facility additions will include a water trough, hand washing sink, hitching posts, and native shade trees at the equestrian area
- Trails Management Plan to provide a combination of multi and single use trail opportunities
- Conduct a periodic, up to annually if appropriate, trail user safety event



➔ North Thermalito Forebay Area Improvements

- Conduct a feasibility study of swim facility options at North Thermalito Forebay Area
- Provide fish cleaning station
- Provide expanded structures and facility improvements to Aquatic Center (completed)

➔ South Thermalito Forebay Area Improvements

- Provide ADA-accessible fishing pier or platform at South Forebay Day Use Area
- Improve day use facilities at South Forebay

➔ Thermalito Afterbay Area Improvements

- Provide new toilet facilities at Larkin Road and the Model Aircraft Flying Facility (completed)
- Construct additional picnic facilities at the Model Aircraft Flying Facility (completed) and Larkin Road
- Provide roadway directional signs for easier site location at Wilbur Road and Larkin Road
- Provide new beach and swimming buoy line at Larkin Road
- Provide new paving, fencing, aircraft staging tables, and bulletin/information board at Model Aircraft Flying Facility (completed)
- If needed, expand parking at Wilbur Road

➔ Oroville Wildlife Area Improvements

- Provide new designated camping areas at the Afterbay Outlet
- Improve or add new picnic facilities at the Afterbay Outlet
- Paved access road (completed) and upgrade boat ramp at the Afterbay Outlet
- Revegetate disturbed areas with native plants at the Afterbay Outlet
- Provide Watchable Wildlife sites, trash receptacles, gravel shoulder parking, and signs in the OWA
- If needed, provide additional toilet facilities at the Afterbay Outlet
- Provide roadside directional signs for easier site location at the Afterbay Outlet
- Enhance existing non-motorized boater put-ins and take-outs at the OWA Outlet area in conjunction with proposed Feather River Non-Motorized Boating Trail



- ✓ **Project Supplemental Benefit Fund provides funding to extend project benefits to the region outside the FERC project boundary (including Riverbend Park improvements)**
- ✓ **Feather River Whitewater Boating Opportunity Feasibility Study**
- ✓ **Enhancement and development of boater put-in and take-out access points for the Feather River Non-Motorized Boating Trails (FRNMBT), and develop FRNMBT recreation maps**

Environment:

- ✓ **Habitat Expansion for Central Valley Spring-Run Chinook and Central Valley Steelhead to be implemented in conjunction with Pacific Gas & Electric Company to accommodate an estimated net increase in spawning habitat for 2,000 to 3,000 spring-run chinook salmon with additional benefit for steelhead**
- ✓ **Lower Feather River Habitat Improvement Plan, to integrate and maximize the benefits of environmental measures, including implementation schedules, monitoring and reporting:**
 - Minimum flows, temperature targets and other measures to support anadromous fish in the Low Flow and High Flow Channels
 - Gravel Supplementation and Improvement Program in the Lower Feather River to improve spawning habitat for salmon and steelhead
 - Channel Improvement Program in the Lower Feather River to provide new spawning and rearing habitat for salmon and steelhead, including improving Moe's and Hatchery ditches, and adding five additional side channel riffle/glide complexes
 - Structural Habitat Supplementation and Improvement Program to restore and improve salmon and steelhead rearing habitat in the Lower Feather River by creating additional cover, edge, and channel complexity through the addition of structural habitat, including large woody debris, boulders, and other objects
 - Fish Weir Program to provide monitoring and spatial separation for the spawning of spring-run and fall-run Chinook salmon, including installation of a monitoring weir and a spatial separation weir
 - Riparian and Floodplain Improvement Program to enhance riparian and other floodplain habitats for associated terrestrial and aquatic species
 - Feather River Hatchery Improvement program for the production of anadromous salmonids such as steelhead, fall-run Chinook salmon, spring-run Chinook salmon, as well as other salmonids that may be stocked as part of the license
 - Comprehensive Water Quality Monitoring Program, including monitoring plans for water chemistry, fish tissue bioaccumulation, recreation site water quality, water temperature, water quality bioassays, and aquatic macroinvertebrates



- Oroville Wildlife Area Management Plan development to address required conservation measures, resource actions associated with a new license, recreation and wildlife conflicts, wildlife management goals and objectives, monitoring and reporting and agency management and funding responsibilities

✓ **Other Water Quality Measures:**

- Monitoring of bacterial levels and public education, including placing notices educating the public on sanitary measures to minimize contamination of water and promptly sharing monitoring information with appropriate public agencies and when instructed by the agency posting public health risk notices
- Public education regarding risks of fish consumption, including posting of notices and facilitating the publication of educational material

✓ **Protection and Improvement of Terrestrial Habitat**

- Protection of vernal pool invertebrate habitat through conservation and measures in accordance with the biological opinion
- Minimization of disturbances to nesting bald eagles
- Enhanced recharge for the existing brood ponds and construction of four additional waterfowl brood ponds within the Thermalito Afterbay portion of the OWA
- Planting of upland cover and forage crops to support upland game birds and wintering waterfowl within the Thermalito Afterbay portion of the OWA
- Provision of nest cover for upland waterfowl within the thermalito afterbay portion of the OWA
- Installation and maintenance of wildlife nesting boxes
- Invasive Plant Management Plan development and implementation

✓ **Fishery Improvements**

- Warm Water Fishery Habitat Improvement Program in Lake Oroville, including construction, operation, and maintenance of projects to improve warm water fishery habitat within the reservoir or fluctuation zone
- Plan to provide a cold water fishery for recreational fishing in Lake Oroville, including the stocking of 170,000 yearling salmon or equivalents per year, identification of a primary and alternative sources of salmonids for stocking in the lake, consideration of disease issues and an analysis of feasibility of a hatchery water disinfection system



Cultural:

- ✓ Historic Properties Management Plan providing for identification, data recovery and protection of historic properties, as well as providing access to land for traditional Native American plantings, curation facility, and other measures
- ✓ Improve and redirect recreation usage to specific areas at Foreman Creek to protect cultural resources while still providing recreation benefits

Land Use:

- ✓ Development of a Fuel Load Management Plan
- ✓ Screening of material storage area with native plants

Engineering and Operations:

- ✓ Installation of a high flow early warning system (completed)
- ✓ Evaluation and potential implementation of additional gaging locations to improve flood forecasting and monitoring

Collaborative Adaptive Management:

- ✓ Establishment of an Ecological Committee
- ✓ Establishment of a Recreation Advisory Committee
- ✓ Establishment of a Cultural Resources Coordination Group
- ✓ Establishment of public workshops

