

## **Cheoah River Resource Management and Enhancement Fund**

### **Annual Report 2011**

This annual report is submitted to satisfy the requirements of the Tapoco Project Relicensing Settlement Agreement (RSA) that requires an annual report be prepared and distributed to Board members and advisors, and that Alcoa Power Generating Inc. (APGI) file the report with FERC by June 30 of the following year. The Cheoah River Resource Management and Enhancement Fund ("Fund" - listed in the RSA as the North Carolina Resource Management and Enhancement Fund) was established through the Tapoco Project RSA and is to be administered by the Fund Board composed of authorized representatives of the North Carolina Wildlife Resources Commission (NCWRC), North Carolina Department of Environment and Natural Resources (NCDENR), USDA Forest Service (USFS), United States Fish and Wildlife Service (USFWS), and the Eastern Band of the Cherokee Indians (EBCI). APGI is required to provide an initial deposit of \$100,000 then annual deposits of \$25,000 (both in inflation adjusted dollars) except for the final 3 years of the new 40-year license.

#### **2011 Board Activities**

The annual payment of \$28,891 was received from APGI and deposited by NCDENR. The beginning balance for 2011 was \$75,007.96 and the ending balance was \$45,690.97. A fiduciary report listing disbursements for 2011 and encumbered funds is included as Attachment 1.

The following projects were in progress in 2011:

- Restoration ecology of fishes (Virginia Polytechnic Institute and State University)
- Captive culture and reintroduction of fishes and mussels (NC Wildlife Resources Commission)
- Propagation of wounded darters (Conservation Fisheries, Inc.)
- Management of Yellow Creek exotic vegetation (Land Trust for the Little Tennessee)
- Gravel installation – initiate contract process for 2012 (NC Division of Water Resources)

APGI has provided space on their website for central storage of Fund Board business items ([http://www.alcoa.com/tapoco/en/info\\_page/nc\\_fund\\_board.asp](http://www.alcoa.com/tapoco/en/info_page/nc_fund_board.asp)). Updates for the wounded darter propagation and Yellow Creek exotic vegetation management projects can be found on this site.

The Virginia Tech project was concluded on September 30, 2011. The following reports were received:

1. Dissertation, McManamay, Ryan A., 2011.
2. Gravel Addition as a Habitat Restoration Technique for Tailwaters: Publication in *North American Journal of Fisheries Management* on gravel addition and fish spawning
3. A Regional Classification of Unregulated Stream Flows: publication in *River Research & Applications* on classification of unregulated stream flows in the southeast
4. Regional Frameworks Applied to Hydrology: publication in *River Research & Applications* on applying regional frameworks to predicting flow regimes

5. Southeast Hydrologic Alterations: accepted for publication in *Journal of Hydrology* on flow alterations due to dams
6. Application of the ELOHA (Ecological Limits of Hydrologic Alteration) Framework to the Cheoah River: summarizes the difficulty of restoration in the Cheoah
7. Macroinvertebrate Community Responses to Gravel Augmentation
8. A Restoration Template for Fish Assemblages in Regulated Rivers of the Upper Tennessee River System: overview of factors that determine fish assemblage composition – especially fragmentation
9. Fish Occupancy Method Report & Figures: discusses the ability of snorkeling or electrofishing to detect fluvial specialists in the Cheoah River

The Fund Board held its annual meeting on October 4, 2011. The meeting agenda and projects approved for funding are included as Attachment 2. Jim Mead, Division of Water Resources - NCDENR, was selected to serve as the Fund Board chair for the first half of 2012. He will be replaced by Steve Reed, also with the Division of Water Resources, for the remainder of 2012.

Attachment 1

**CHEOAH RIVER RESOURCE MANAGEMENT AND ENHANCEMENT FUND**

**Fiduciary Report**

**May 31, 2012**

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01/01/11	<b>Year 2011 Start Balance</b>		\$	75,007.96
02/10/11	Deposit - Alcoa 2011 payment		\$	28,891.00
12/31/11	Disbursements (01/01/11 to 12/31/11)		\$	(58,207.99)
	<i>Wildlife Resources Commission ( 01/11/11)</i>	\$	3,688.00	
	<i>Virginia Tech ( 02/15/11)</i>	\$	10,801.18	
	<i>Virginia Tech ( 05/10/11)</i>	\$	7,734.32	
	<i>Wildlife Resources Commission ( 06/08/11)</i>	\$	10,000.00	
	<i>Virginia Tech ( 08/02/11)</i>	\$	7,390.91	
	<i>Virginia Tech ( 11/22/11)</i>	\$	12,593.58	
	<i>Land Trust for the Little Tennessee (12/20/11)</i>	\$	6,000.00	
12/31/12	<b>Year 2011 End Balance</b>		\$	<b>45,690.97</b>
01/01/12	<b>Year 2012 Start Balance</b>		\$	<b>45,690.97</b>
03/30/12	Deposit - Alcoa 2012 payment		\$	29,581.00
05/31/12	Disbursements (01/01/12 to 05/31/12)		\$	(16,763.60)
	<i>Conservation Fisheries, Inc. (01/17/12)</i>	\$	7,881.60	
	<i>McNeely Trucking Co.. (05/29/12)</i>	\$	8,882.00	
05/31/12	<b>Balance ending May 31, 2012</b>		\$	<b>58,508.37</b>
05/31/12	<b>Funds encumbered by contract as of 05/31/12</b>		\$	(20,122.08)
	<i>Virginia Tech - Ecology Restoration</i>	\$	3.68	
	<i>Land Trust for the Little Tennessee - Yellow Creek</i>	\$	12,000.00	
	<i>Cons. Fisheries, Inc. - Prop. Wounded Darters</i>	\$	8,118.40	
05/31/12	<b>Funds available for contracting</b>		\$	<b>38,386.29</b>

Prepared by:  
Darren England, NC Division of Water Resources  
May 31, 2012

Attachment 2

Cheoah River Resource Management and Enhancement Fund  
Annual Meeting  
October 4, 2011, 11:00 a.m.  
USFWS Office and Conference Room  
160 Zillicoa Street  
Asheville, NC

Meeting Agenda

1. Update of Finances
2. Reports of Funded Projects
  - a. Virginia spiraea monitoring & management (USFWS, USFS)
  - b. Restoration ecology of fishes (Virginia Tech)
  - c. Captive culture and reintroduction of fishes and mussels (NCWRC)
  - d. Propagation of wounded darters (CFI, NCWRC)
  - e. Management of Yellow Cr. exotic vegetation (LTLT)
3. Review of Fund Proposals for 2011
4. Other Fund Board Business
5. Select Chair for 2011
6. Review Action Items
7. Adjourn

The Cheoah Fund Board approved the funding of the following proposals/projects at its October 4, 2011 annual meeting. These were the only proposals received during 2011.

Proposal	Requester	Amount
Captive culture of fish and mussels <sup>1</sup>	NC Wildlife Resources Commission	\$10,000 annually for 2012-2014
Hatchery propagation and reintroduction of Wounded Darters into the Cheoah River	Conservation Fisheries, Inc.	\$8,000 annually for 2012 and 2013
Gravel installation <sup>2</sup>	NC Wildlife Resources Commission	\$5,000 for 2012

<sup>1</sup>This contract should be awarded after receiving the 2012 APGI payment and the scope of work from WRC.

<sup>2</sup>This initial estimate was revised following inspection of the stockpiled gravel and decision to clean and install all remaining stockpiled material.