

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

### **Annual Report 2014**

This annual report is submitted to satisfy the requirements of the Brookfield Smoky Mountain Hydro Project Relicensing Settlement Agreement (RSA) that requires the preparation and distribution of an annual report to Fund Board members and advisors, and that the Licensee (Brookfield) file the report with the Federal Energy Regulatory Commission (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). The Licensee 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. The Fund Board delegated NCDENR-Division of Water Resources (DWR), under the authority of the RSA, to administer and disperse the Fund.

#### **2014 Board Activities**

The annual payment was received from Brookfield and deposited by DWR. The 2014 fiduciary report is included as Attachment 1.

The Fund Board held its annual meeting on October 15, 2014. The meeting agenda and minutes are included in Attachment 2.

The following projects were completed in 2014:

- Improvements to the Yellow Creek Falls Trail (*link available on the BSMH website listed below*).
- Installation of gravel in the Cheoah River. Brookfield submitted a completion report to FERC on February 25, 2015.

The Board continues to fund the following projects approved in prior years:

- Captive culture and reintroduction of fishes and mussels (NCWRC)
- Propagation of olive darters (Conservation Fisheries, Inc.)

The Board did not receive any new proposals for funding in 2015.

Brookfield maintains a website for central storage of Fund Board business items at:  
[www.brookfieldrenewable.com/content/smoky\\_mountain\\_hydro/nc\\_fund\\_board](http://www.brookfieldrenewable.com/content/smoky_mountain_hydro/nc_fund_board)

**Attachment 1**

**Fiduciary Report 2014**

# CHEOAH RIVER RESOURCE MANAGEMENT AND ENHANCEMENT FUND

## Fiduciary Report

December 31, 2014

01/01/14	<b>Starting Balance</b>	\$	<b>67,421.13</b>
01/21/14	Deposit - Brookfield 2014 payment	\$	30,532.00
03/18/14	Disbursement - <i>Land Trust for the Little Tennessee</i>	\$	(6,000.00)
07/15/14	Deposit – DENR allocation of funds to the Cheoah Fund	\$	904.23
08/12/14	Disbursement - <i>Land Trust for the Little Tennessee</i>	\$	(5,000.00)
12/02/14	Deposit – DENR allocation of funds to the Cheoah Fund	\$	1,604.38
12/09/14	Disbursement - <i>Wildlife Resources Commission</i>	\$	(17,848.00)
12/31/14	Interest January 1, 2014 to December 31, 2014	\$	387.73
12/31/14	<b>Ending Balance (12/31/14)</b>	\$	<b>72,001.47</b>
12/31/14	Funds encumbered by contract as of December 31, 2014	\$	50,000.00
	<i>Conservation Fisheries, Inc. (04/15/14)</i>	\$	20,000.00
	<i>Wildlife Resources Commission (04/23/14)</i>	\$	30,000.00
12/31/14	<b>Funds available for contracting</b>	\$	<b>22,001.47</b>

Prepared by:  
Darren England, NC Division of Water Resources  
December 31, 2014

**Attachment 2**

**2014 Fund Board Annual Meeting Agenda and Notes**

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

Annual Meeting  
October 15, 2014, 12:00 noon  
U.S. Fish & Wildlife Service Office Conference Room  
160 Zillicoa Street  
Asheville, NC

### Meeting Agenda

1. Introductions
2. Update of Finances
3. Updates of Funded Projects
  - a. Yellow Creek Falls trail (LTLT)
  - b. Propagation of olive darters (CFI)
  - c. Captive culture and reintroduction of fishes and mussels (NCWRC)
  - d. Gravel augmentation (NCWRC and others)
4. Review of Fund Proposals for 2015
5. Other Fund Board Business
6. Select Chair for 2015
7. Review Action Items
8. Adjourn

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

Annual Meeting  
October 15, 2014, 12:00 noon  
U.S. Fish & Wildlife Service Office Conference Room  
160 Zillicoa Street  
Asheville, NC

### Meeting Notes

Participants: Chris Goudreau (NCWRC)\* - Chair  
Mike Bolt (EBCI)\*  
Mark Cantrell (USFWS)\*  
Jason Farmer (USFS)\*  
Fred Tarver (NDENR)\*  
Myra Hair (Brookfield)  
Marshall Olson (Brookfield)  
Jody Smet (EA Engineering)  
Greg Cable (Graham County)  
Roger Carlton (Town of Santeetlah)  
Erin McCombs (American Rivers)

\* indicates Board member

#### 1. Introductions

After introductions, Chris Goudreau opened the meeting and reviewed the agenda (Attachment 1).

#### 2. Update of Finances

Chris Goudreau handed out the financial report (Attachment 2) prepared by DENR as fiduciary agent. As of June 30, 2014 the Fund had \$37,139.89 available for new projects.

#### 3. Updates of Funded Projects

##### a. Yellow Creek Falls trail (LTLT)

Paul Carlson provided an update via email indicating that the trail work was completed. Mark Cantrell received the completion report and invoice from LTLT and will forward it to the group.

##### b. Propagation of Olive Darters (CFI)

Pat Rakes provided an update via email indicating that they missed this year's opportunity to collect broodstock prior to breeding season this year due to the late date of grant award and poor field conditions. They have set up the aquarium holding and breeding system. Since there was essentially no work conducted in 2014, it was

recommended that the contract be adjusted to run from 2014-2016 instead of 2013-2015. The Board agreed with adjusting the contract period.

c. Captive culture and reintroduction of fishes and mussels (NCWRC)

Chris Goudreau provided a verbal report on behalf of Steve Fraley, who will provide a written report by the end of the year. A total of over 20,000 Appalachian elktoe, Wavy-rayed lampmussel, and Rainbow mussel are currently in the hatchery, with plans to stock several thousand later in 2014. In 2014, there were difficulties in producing Spotfin chub.

d. Gravel augmentation (NCWRC and others)

The Board approved \$20,000 for this purpose in 2013. Chris Goudreau reported that efforts were underway to obtain the permits and contracts to install the gravel from a stockpile located along the Tuckasegee River. DENR has awarded a contract for NCWRC to oversee the project. Chris reported that extra work might be needed to move the entire stockpile to the Cheoah River and requested that the Board approve additional funds for this project. The Board approved increasing the limit to \$37,100.

4. Review of Fund Proposals for 2015

No proposals were received for consideration in this funding cycle.

Discussion followed about making sure the request for proposals is posted on the website.

5. Other Fund Board Business

It was noted that the website needs to be updated. Myra Hair will work with Chris Goudreau on this.

There was a discussion about ensuring that communications among partners is maintained and improved to make sure that the Board's business is efficient and timely.

Gerrit Jobsis (American Rivers) requested via email that he be replaced on the Fund's distribution list by Erin McCombs.

6. Select Chair for 2015

Mike Bolt (EBCI) was selected as Fund Board Chair for 2015. Mike requested that a letter be sent from the current chair to the EBCI describing the nature of the chairman's duties.

7. Adjourn