

ONTONAGON RIVER

BOND FALLS HYDROELECTRIC PROJECT (P-1864)

A. SUMMARY

1. License Issued: August 20, 2003
2. Expiration: July 31, 2043
3. Waterway: Ontonagon River
4. Capacity: 12 MW (megawatts)
5. Licensee: Upper Peninsula Power Company (UPPCO)
6. Counties: Ontonagon and Gogebic, Michigan & Vilas, Wisconsin
7. Federal Lands: Project partially located on Ottawa National Forest
8. Dams: (location, bypass reach, size etc)
 - a. Bond Falls
 - On middle branch of Ontonagon River
 - 45 ft high, 900 ft long main dam
 - 35 ft high, 850 ft wide control dam
 - Stored water diverted to the Victoria dam where electricity is generated
 - b. Bergland
 - On west branch of Ontonagon River
 - 4 ft high, 179 ft long dam
 - Controls water level in Lake Gogebic (natural lake)
 - c. Cisco
 - On the Cisco branch of Ontonagon River
 - 11 ft high, 21 ft long dam
 - Controls Cisco Lake
 - No minimum flow requirement for Cisco
 - d. Victoria
 - On west branch of Ontonagon River
 - 118 ft high, 301 ft long dam
 - Controls Victoria reservoir with spillway of 4 gated bays
 - 1.6 mile long bypass
 - Has the only powerhouse with two turbines, 6 MW each.
9. Settlement Agreement: Filed with FERC on July, 2000
10. Parties to SA:
 - a. UPPCO
 - b. US Forest Service (FS)
 - c. US Fish and Wildlife Service (FWS)
 - d. Wisconsin Department of Natural Resources (WI DNR)
 - e. American Rivers (AR)
 - f. Michigan Department of Natural Resources (MI DNR)
 - g. Keweenaw Indians
 - h. American Whitewater (AW)

i. Michigan Hydro Relicensing Coalition (MHRC)

j. Michigan Department of the Attorney General

B. IMPORTANT PROVISIONS AND REQUIREMENTS IN LICENSE/SA

1. Flows [Reference: License Article 402]

Minimum flow release from *Bond Falls Dam into Middle Branch* Ontonagon River

Apr	110 cfs
May	100 cfs
Jun 1 through Oct 31	80 cfs
November	90 cfs
Dec 1 through Mar 31	80 cfs

Flow release from *Bond Falls to South Branch* Ontonagon River/Roselawn Creek

	Min	Max
Apr 15 through Jun 15	25 cfs	150 cfs
Sep 15 through Nov 15	25 cfs	150 cfs
Balance of Year	25 cfs	175 cfs

Minimum Release from *Victoria Dam to West Branch* Ontonagon River (Bypass reach)

Apr 15 through Jun 15	150 cfs
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Minimum Release from *Bergland Dam to West Branch* Ontonagon River

Sep 15 through Apr 24	50 cfs (for Lake elevation >1,293.9 ft msl)
	30 cfs (for Lake elevation ≤1,293.9 ft msl)
Apr 25 through June 10	50 cfs (for Lake elevation >1,295.9 ft msl)
	30 cfs (for Lake elevation ≤1,295.9 ft msl)
June 11 through Sep 14	50 cfs (for Lake elevation >1,295.4 ft msl)
	30 cfs (for Lake elevation ≤1,295.4 ft msl)

Note: Flow releases may be temporarily modified but has to be agreed by the Implementation Team and notified to the Commission within 10 days.

2. *Downstream Fish Passage* [Reference: License Article 405]

UPPCO is required to install a downstream fish protection device at the Victoria dam by August 19, 2013 after consulting with MI DNR, FWS and Implementation Team. The required funds will be used from Mitigation Enhancement Fund.

3. *Water Temperature* [Reference: License Article 408]

Maximum water temperature for discharge:

	Victoria, Bergland & Cisco (°F)	Victoria Powerhouse & Bond Falls Dam (°F)
Jan	38	38
Feb	38	38
Mar	41	43
Apr	56	54
May	70	65
Jun	80	68
Jul	83	68
Aug	81	68
Sep	74	63
Oct	64	56
Nov	49	48
Dec	39	40

4. *Minimum dissolved oxygen (DO) Level* [Reference: License Article 408]

Cisco and West Branches of Ontonagon River (Downstream of Cisco, Bergland and Victoria dams)	5 mg/L
Middle Branch of Ontonagon River and Roselawn Creek (Downstream of Bond Falls dam)	7 mg/L

5. *Licensee is required to submit following plans which are to be consistent with each other.*

a. *Water Quality Monitoring Plan* [Reference: License Article 409]

A Water Quality Monitoring Plan will include three year monitoring of DO, temperature. Subsequent monitoring based on the results of three-year monitoring. All funds to be covered by Mitigation and Enhancement Fund

b. *Erosion and Sediment Control Plan* [Reference: License Article 410]

The plan will make UPPCO responsible for funding and implementing

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shoreline protection and erosion control measures. Among other things, the Plan will include detailed description of Best Management Practices (BMPs) to be used, provision to monitor erosion control and re-vegetation plan.

- c. Buffer Zone Plan [Reference: License Article 413]
The Plan will aim to restore old growth forest in a 200 ft buffer zone.
- d. Wildlife and Land Management Plan [Reference: License Article 414]
Some important provisions of the Plan are- Use Michigan Best Management Practices (BMPs) for timber management, use native seeds for re-vegetation, restore and enhance wild rice, annual consultation with resource agencies on status of wildlife populations.
- e. Threatened and Endangered Species Protection and Enhancement Plan [Reference: License Article 415]
Among others, the Plan will require bald eagle management plans, protection of gray wolf den sites, annual consultation with resource agencies.
- f. Recreation Plan [Reference: License Article 416]
Building one boat ramp on Victoria reservoir, shoreline fishing access near the boat launch, access trails, campgrounds, canoe portage route at bond falls dam are some of the requirements under this Plan.

C. MITIGATION AND ENHANCEMENT FUND [Reference: Section 7 in SA]

UPPCO will establish an internal funding totaling \$2.46 million (in 1997 dollars). All decisions on expenses will be made by the Implementation Team. Funding shall be used only in Ontonagon River watershed. The Fund will be used for the following project activities: (a) downstream fish protection and passage; (b) upstream fish passage; (c) fish entrainment; (d) recreation except for maintenance of recreation sites; (e) land management; (f) wildlife management; (g) bald eagle protection and management; (h) nuisance plant control; (I) fisheries habitat improvement; (j) water quality monitoring; and (k) soil erosion. Other expenses will be decided by the Implementation Team.

A separate fund will be established to finance any requirements of license surrender and project retirement.

D. OTHER NOTES

1. Project has discharges both in Wisconsin and Michigan. WI DNR waived the requirement for a 401 certification. Upon inaction from MI DNR, FERC considered that 401 certification was waived.
2. Bald Eagle, Grey Wolf, and Canada Lynx are the ESA listed species in the project area. It is expected that the Threatened and Endangered Species Protection and Enhancement Plan (Article 415 of License and Section 4.7.5 of SA) as agreed to during the settlement will not adversely affect the species.
3. Ontonagon River was designated Wild and Scenic in March 1992: The East Branch from its origin to the Ottawa National Forest boundary. The Middle Branch from its origin to the northern boundary of the Ottawa National Forest. The Cisco Branch from its origin at Cisco Lake Dam to its confluence with Ten-Mile Creek south of Ewen. The West Branch from its confluence with Cascade Falls to Victoria Reservoir.
4. The Implementation Team includes MI DNR, WI DNR, FWS, USFS, Keweenaw Bay Indian Community (KBIC), and Michigan Hydro Relicensing Coalition (MHRC)
5. Implementation Team has annual meetings to review implementation activities
6. If ownership of project is transferred in future, the license and SA conditions will be applicable to the new owner as well.

E. PROGRESS IN 2007-2008

Expenditures for 2007/08:

Water Quality	\$15,000.00
Victoria Falls and Bond Falls Recreation	\$50,000.00
Cisco Chair mil foil	\$23,000.00
Lake Gogebic erosion project	\$30,000.00
Total	\$118,000.00

Bond Falls Flowage

FERC is requiring UPPCO to develop a new design proposal for gate construction on the main dam. FERC rejected UPPCO's original plan and they are working on a new proposal. Our concern is what will be the flow (or lack of flow) into the Middle Branch.

We still have concerns about the redevelopment of the west campground on the Bond impoundment. Plans are to have an on-site meeting to iron out differences between UPPCO and the resource agencies and also address their plan to for changes to some of the dispersed campsites on the east side.

Lake Gogebic

We may have to spend time with the North Shore Concerned Citizens (NSCC) regarding future shoreline protection. We have reached agreement on how funds from the MEF will be used to reimburse some riparians for past work. Also, conditions were set for deed restrictions, time limits, maximum cost, cost per foot of protection, etc for future improvement projects. This arrangement is restricted to only those members of NSCC listed in Wayne Borseth's letter dated July 8, 2006. A request for amendment to the Supplemental Erosion Control Plan was submitted to FERC..

Victoria Dam and Reservoir

Depending on the weather and water level conditions in project reservoirs, BFIT/UPPCO conference calls may be required to alter project operating conditions. This happened in both 2007 and 2008 due to drought conditions. In 2008, the Middle Branch was reduced to 70 CFS and then down to 65 CFS in August. The Bond Falls reservoir was drafted much lower than the license allowed in order to keep one turbine running at Victoria. This requires 200 CFS. The BFIT agrees that the drafting of the Bond Falls Reservoir is the first priority in maintaining flows to keep Victoria operating.

Non-Project Land Sale to Naterra Land

The sale of non-project lands around six UPPCO reservoirs in the UP will continue to consume the Coalitions share of any time spent on this project. The BFIT successfully lobbied with FERC to require UPPCO to develop a Shoreline Management Plan for each reservoir. We continue to have meetings regarding the SMPs at irregular intervals but they are extremely important. There are many issues at stake, especially whether the backlot owners can have docks, pathways and electric lighted docks on project lands around the reservoir. UPPCO's consultant (E-PRO Environmental of Maine) is involved in studies on various reservoirs and developing information to be used in the SMP. As we understand it, if FERC accepts the SMP it will supersede existing license articles. We will be commenting on the final SMP submitted by UPPCO to FERC.

F. MAP OF ONTONAGON RIVER BASIN

