



3628 South 35th Street
Tacoma, Washington 98409-3192

EXHIBIT "A"
RESOLUTION NO.: _____
ITEM NO.: _____
MEETING DATE: APRIL 22, 2015

TACOMA PUBLIC UTILITIES

DATE: March 27, 2015
TO: William A. Gaines, Director of Utilities/CEO
FROM: Theodore C. Coates, Power Superintendent/COO *TC*
SUBJECT: Nisqually River Hydroelectric Project
Donation of 567 acres from Washington State Department of Natural Resources

RECOMMENDATION: Tacoma Power requests your approval to acquire, via donation, approximately 567 acres of land located adjacent to the Nisqually Hydroelectric Project boundary at Alder Lake. This property will be donated by the Washington State Department of Natural Resources (DNR) and will be encumbered by deed restrictions that align with current Tacoma Power forest management and habitat preservation practices.

BACKGROUND: The DNR regularly participates in the transfer of land to other public entities through their Trust Land Transfer (TLT) Program. This program allows the DNR to transfer state trust lands with limited potential for timber revenue to more appropriate ownership. The DNR in turn is compensated for those lands with funds appropriated by the state legislature which enables them to acquire more productive land in exchange. Tacoma Power was identified as the appropriate recipient because this property is located adjacent to our Nisqually Hydroelectric Project wildlife lands at Alder Lake. The DNR land will come with a deed restriction that will require the land to be used for conservation, recreation, and/or open space. These uses are compatible with how our adjacent wildlife lands are managed which makes Tacoma Power the logical recipient.

This acquisition will expand Tacoma Power's ownership around Alder Lake and therefore increase its ability to control activities on its land and provide additional opportunities for meeting Federal Energy Regulatory Commission license obligations. Moreover, the opportunity to acquire such a large amount of acreage at no cost that includes high quality mature forest adjacent to Alder Lake is of significant conservation value.

FUNDING AND SCHEDULE: The costs for this acquisition, including Tacoma Power, Real Property Services, and Legal staff time are estimated to be approximately \$4,000 and no additional resources are being requested to manage this additional property. The DNR is hoping to close this transaction by December 31, 2015.

PROJECT COORDINATOR: Bret Forrester, Tacoma Power, Generation, 502-8782.

APPROVED:

William A. Gaines
Director of Utilities/CEO