



DATE: March 7, 2016
TO: William A. Gaines, Director of Utilities/CEO
FROM: Chris Robinson, Power Superintendent/COO *CR*
SUBJECT: Cushman Hydroelectric Project
Donation of 70 acres from Washington State Department of Natural Resources

RECOMMENDATION: Tacoma Power requests your approval to acquire, via donation, approximately 70 acres of land located within and adjacent to the Cushman Hydroelectric Project boundary at Lake Cushman. 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 at no cost to the recipient. 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 Cushman Hydroelectric Project lands at Lake Cushman. The property's value, including the timber, was assessed at \$698,000. 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 lands are managed which makes Tacoma Power the logical recipient.

This acquisition will expand Tacoma Power's ownership around Lake Cushman and therefore increase its ability to control activities on its land and provide additional opportunities for meeting Federal Energy Regulatory Commission license obligations during future relicensing. The transfer will provide immediate benefit by transferring ownership of State-owned property within our Federal Energy Regulatory Commission license boundary to Tacoma Power.

FUNDING AND SCHEDULE: The costs for this acquisition, including Tacoma Power, Real Property Services, and Legal staff time are estimated to be approximately \$3,000 and no additional resources are being requested to manage this additional property. The DNR is hoping to close this transaction by April 15, 2016.

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

APPROVED:

William A. Gaines
Director of Utilities/CEO