

MEMORANDUM OF UNDERSTANDING
BETWEEN THE STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES AND
CHIPPEWA AND FLAMBEAU IMPROVEMENT COMPANY

This Memorandum, dated as of August, 23, 1990, by and between the State of Wisconsin Department of Natural Resources with offices at 101 South Webster Street, Madison, Wisconsin (Department) and Chippewa and Flambeau Improvement Company, a Wisconsin corporation, with offices at 100 North Barstow Street, Eau Claire, Wisconsin 54701 (CFIC),

WITNESSETH:

WHEREAS CFIC is an improvement company created by the requirements of Chapter 182 of the Wisconsin Statutes; and

WHEREAS the Department and CFIC have historically worked closely together to develop information and procedures that maximize the benefits available to both tollpayers and the general public from CFIC's release of water from the Turtle-Flambeau Flowage reservoir; and

WHEREAS for the past several years the Department and CFIC have been negotiating a co-management plan for their long-term management of the flowage lands and waters; and

WHEREAS, to ensure the continuity of these efforts and the future protection of all resources, the Department and CFIC wish to document the principles which have guided and will continue to guide CFIC's control of the flowage reservoir for and in consideration of the levels and attendant flow releases.

NOW, THEREFORE, the Department and CFIC agree that the following principles shall apply to CFIC's operations:

Consultation

1. The Department and CFIC intend to meet regularly to exchange information and, as necessary, discuss additional reservoir operating modifications, including but not limited to proposals based upon resource-related studies performed by the Department concerning downstream resource interests and the ongoing Federal Energy Regulatory Commission relicensing studies on the Flambeau River.

It is understood by the Department and CFIC that this Memorandum of Understanding may be modified or superseded consistent with any recommendations based on the above so long as such changes do not significantly conflict with the Major Principles.

Major Principles of Reservoir Operation

1. Winter drawdown of the reservoir will occur annually and will not exceed 8 feet in depth (1564.0 ft. msl)*. Winter stream flows will not drop below 300 cfs (November 20 - June 1).
2. Summer drawdown of the reservoir will occur and will not exceed 1568.0 ft. msl. Summer stream flows (June 1 - November 19) will not drop below 300 cfs.

Modifications

The following modifications are to be implemented by CFIC only to the extent they do not conflict with the Major Principles.

1. CFIC will begin refilling the reservoir, following the winter drawdown, earlier than in historical practice. CFIC shall attempt to refill the reservoir to a level of 1571.5 or more by April 20 each year or within one week after ice-out conditions are present on the reservoir, whichever is later. Such refill will normally be accomplished without lowering flow below 300 cfs.
2. CFIC shall not increase or decrease river flow by more than 300 cfs/day, so long as operating in this manner will not expose project works to possible flooding, based upon CFIC operator judgment.
3. CFIC shall not decrease river flows from their level on or near April 10 each year until June 10 unless it is apparent that refilling and maintaining the reservoir to a minimum level of 1571.5 may not occur without decreasing flow.
4. CFIC shall work cooperatively with Department staff to analyze historical reservoir data to determine if further minor adjustments to operations of the reservoir can be made without significantly impacting the Major Principles governing reservoir operations listed above.

*All measurements contained in this Agreement are referenced to the staff gauge at CFIC's dam.

5. CFIC shall consult with the Department's NWD Director or designee prior to deviating from the principles and modifications listed above in order to maintain scheduled drawdown rates or respond to unusually high amounts of precipitation or extremely dry or drought conditions.

Emergency Conditions

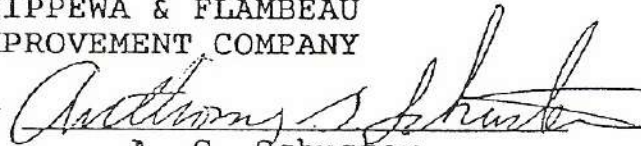
1. The Major Principles and Modifications to operation described in this Agreement shall not apply during any period of flood or other emergency condition to the extent required, in CFIC's judgment, to protect the integrity of the dam and other operating structures and to comply with flood management requirements. Emergency actions will be reported to the Department's NWD Director or designee within one working day of occurrence.

Miscellaneous

1. This Agreement shall be binding and inure to the benefit of the parties, their successors and assigns.
2. Nothing in this Memorandum of Understanding shall preclude or impair the Department's authority under Section 31.02, Wis. Stats., and any other applicable regulatory authority. Any changes proposed by the Department under Section 31.02 shall take this Agreement into consideration and shall occur only after consultation with CFIC and only where necessary to preserve public rights or promote safety and protect life, health and property.

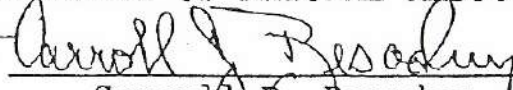
CHIPPEWA & FLAMBEAU
IMPROVEMENT COMPANY

By


A. G. Schuster
General Manager

STATE OF WISCONSIN
DEPARTMENT OF NATURAL RESOURCES

By


Carroll D. Besadny
Secretary