



BAKER RIVER PROJECT RELICENSE

Baker Solution Team

January 24, 2001

9:00 a.m.- 3:00 p.m.

Forest Service Office
Mountlake Terrace, WA

AGENDA

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| 1. Introductions |
| 2. Review/revise minutes/agenda |
| 3. Action Items: Who else? Involvement by local governments |
| 4. "Finalize" interest statements |
| 5. Review Communications Protocol and Process Document |
| 6. Review draft of study request form (?) |
| 7. Set agenda for Feb. 28 meeting and confirm location |
| 8. Evaluate meeting |



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By April 30, 2004, the Baker Solution Team will draft a settlement agreement for relicensing of the Baker River Project that best meets the interests of the signatories.

MEETING NOTES

Team Leader: Connie Freeland (Puget Sound Energy) (425) 462-3556, cfreel@puget.com

PRESENT

Jon Vanderheyden (US Forest Service), Stan Walsh (Skagit System Cooperative), Bob Helton (Citizen), Bill Reinard (Wildcat Steelhead Club), Don Schluter (Trout Unlimited) (by phone), Jerry Louthain (City of Anacortes & Skagit Co. PUD), Patrick Goldsworthy (North Cascades Conservation Council), Steve Fransen (National Marine Fisheries Service), Rod Sakrison (Dept. of Ecology), Wayne Wagner (US Army Corps of Engineers), Gary Sprague (WA Dept. Fish & Wildlife), Fred Seavey (U.S. Fish & Wildlife), Arn Thoreen (Skagit Fisheries Enhancement Group), Bob Nelson (Rocky Mountain Elk Foundation), Larry Wasserman (Skagit System Cooperative), Jim Eychaner (Interagency Committee for Outdoor Recreation: IAC), Derek Koellmann (Skagit County), Connie Freeland (PSE), Lloyd Pernela (PSE), Cary Feldmann (PSE), Lyn Wiltse, facilitator (PDSA Consulting)

Future Meeting Dates and Locations:

February 28, March 28, April 25, May 23

All meetings will be held from 9:00 to 3:00 at the Forest Service Office, Mountlake Terrace, WA

NEW ACTION ITEMS

- ALL: Review *Communications Protocol* and send comments to Connie by Friday, Feb. 9th.

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- Connie: Send out red-line revision to members by Wednesday, Feb. 21st for discussion at meeting on Feb. 28th.
 - ALL: Review **Process Document** and send comments to Connie by Friday, March 9th.
 - Connie: Send out red-line revision to members by Wednesday, March 21st for discussion at meeting on March 28th.

REPORT ON OLD ACTION ITEMS

- Connie: Was unable to send the Process Document to members for review prior to this meeting because it was still being revised by PSE. It was distributed (hard copy) at the meeting.

AGENDA

January 24, 2001 Mountlake Terrace, WA

9:00 to 3:00 (with working lunch provided)

1. Introductions
2. Review/revise minutes/agenda
3. Action Items...who else? involvement by local governments
4. "Finalize" interest statements (interest/issues position; regulations/laws)
5. Review Communications Protocol and Process Document
6. Review draft of study request form
7. Other Issues: appeal of DOE's complaint, confidentiality, consensus
8. Set agenda for Feb. 28 meeting and confirm location
9. Evaluate meeting

INTRODUCTIONS

The team welcomed first-time members Jim Eychaner, Fred Seavey, Bob Nelson, Arn Thoreen, and Derek Koellmann.

PARTICIPATION AND PROCESS

The group spent an hour discussing process, participation, and authorities. They also began discussion about how the Solution Team works. It is PSE's intent to file the Notice of Intent and request for ALP by April 30, 2001.

There was discussion around the advantages of going ALP vs. Traditional. It was agreed that ALP usually results in less FERC arbitration and allows resource needs to be addressed in a more timely manner than the traditional process. FERC's decision will be binding on PSE.

COMMUNICATIONS PROTOCOL

Copies of the Communications Protocol were distributed to each member. Connie walked the group through the document. It was suggested that we use a table to track initial comments/suggestions for revision. As we move closer to a final version, we will use a "red-line" strike-out version. Final documents will be available to all in hard copy. When Connie receives comments from Solution Team members (by February 9th), she will run substantive changes by members of the Process Team. The Process Team will draft a recommended version and send it out along with the non-substantive changes to members by February 21st for their review. At our February 28th meeting, we hope to finalize the draft of the Communication Protocol.

PROCESS DOCUMENT

Lloyd Pernela briefly ran through the format and content of the Process Document, which will be appended to the Communications Protocol. PSE will add an appendix to the Process Document listing all relevant authorities along with a brief summary of the substance of each statute as it relates to the relicensing of the Baker River Project. They will also include a contact list of participants in the process. Agencies with mandatory authority are in the process of putting together a Memorandum of Understanding/Agreement with PSE to hammer out differences among themselves in the hopes that it will facilitate the process. The Memorandum of Understanding will include issues/operating procedures related to the Communications Protocol and Process Document.

PSE will do one more revision of the Process Document and send out an electronic copy to members by January 31st. Members will review the document and send comments to Connie by March 9th. She will collate changes and send out a red-line revision by March 21st for discussion at the March 28th meeting.

Solution Team members compiled the following list of authorities:

Federal Power Act Authorities:

- Federal Tribal Trust...Trust obligation of all federal agencies; Department of Interior has special responsibilities (BIA, USFWS, NPS)
- §18...Fish passage mandatory condition (USFWS, NMFS)
- §10j...Fish and wildlife recommendations (USFWS, NMFS, WDFW)
- Migratory Bird Treaty Act: protection of neo-tropical birds and other migratory birds
- §10a...Comprehensive planning (State and federal resource or land management plans)
- §10a...Fish and wildlife recommendations (Tribes, state and federal agencies)
- §4e...Federal land management agency mandatory terms and conditions (Forest Service)
- Clean Water Act...Section 404 discharge into rivers
- ESA, §7...Consultation process under the Endangered Species Act; could result in mandatory terms or conditions (USFWS, NMFS)
- Clean Water Act...401 certification (WQ Standards)
- Coastal Zone Management Act...Shoreline management certification
- FWCA...Fish and Wildlife Coordination Act: provide mechanism for fish and wildlife recommendations on any water development project by state and federal agencies
- SHPO (State Historic Preservation Office)

REVIEW FORM OF STUDY REQUEST

The team reviewed the new study request form that will be used by the working groups for study requests. This form was created by a collaborative effort including PSE and the agencies. It has been introduced to all working groups and they have already begun using it. The Solution Team will begin reviewing studies at the next meeting.

DISCUSSION OF INTERESTS

After discussing the differences between interests and issues, three members shared the draft core interests of their organizations. The three new or revised interests presented at this meeting are listed first, followed by the interests that were presented at the Dec. 13 meeting.

Interests of the Tribes in the Baker Relicense process (Skagit System Cooperative) (Revised) **To exercise traditional tribal culture to the fullest extent including:**

- Harvest fish and game as guaranteed under the Treaty of Point Elliott of 1855.
 - Harvest needs to meet or exceed historic levels.
- Protection, restoration and enhancement of fish and game habitat in the Baker Basin and in the Skagit Basin.
- Full and free exercise of religious and cultural traditions and protection for future generations.
 - Protect site-specific areas on sacred sites
 - Protect, mitigate, and enhance cultural resources
 - Protect resources from prehistoric and early historic (contact) periods
 - Protect cedar, berries, basket-making sites and medicinal plants that are current as well as traditional cultural properties
 - Protect sacred sites and ceremonial bathing sites
 - Full exercise of treaty gathering rights

Interests of the Interagency Committee for Outdoor Recreation (IAC) Interests (Jim Eychaner)

- Give recreation equal consideration to other resources including fish and wildlife.
 - Develop recreation plan consistent with SCORP document. Meet all requirements of laws, policy, and management plan direction (including Wild and Scenic Rivers Act).
 - Meet FERC requirements re: aesthetics and recreation, including need to address potential recreation, not just current recreation.
 - Employ a process that produced recreation plan consistent with data gathered under credible studies required of the applicant.
 - Look for opportunities to provide non-motorized trails associated with water.

Interests of the Washington Department of Ecology (Rod Sakrison) (Revised)

Protect, preserve and enhance Washington's environment, and promote the wise management of our air, land and water for the benefit of current and future generations. The environmental goals of Ecology are to prevent and clean up pollution, and support sustainable communities and natural resources.

Ecology also has statutory responsibilities in the matters of :

- Flood plain, shoreline and coastal zone management,
- Coordination and permit issuance pursuant to the federal water pollution control act amendments,
- Environmental review and coordination, pursuant to the State's environmental policy statute, and
- State's water management program, including its comprehensive water quality, water resource programs, including establishing instream flows and allocation of waters.

Puget Sound Energy Company's Baker Project has, at a minimum, implications for:

- Water quality, fish, and other environmental issues,

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- Ecology's permitting authority for water quantity decisions,
 - A water quality certification pursuant to Section 401 of the Clean Water Act,
 - Certification that project is consistent with Coastal Zone Management Act, and
 - Providing adequate instream flows.

Interests of the National Forest Service (Jon Vanderheyden)

- Assure National Forest ecosystems that are sustainable, diverse and productive.
- To have sites, settings, and natural landscapes that nurture societal and individual needs and values.
- Contribute natural resource outputs as available, to support society's needs.
- Conduct business in a manner that fosters confidence and trust of National Forest stakeholders.

Interests of Trout Unlimited (Don Schluter)

To conserve, protect, and enhance the cold water resources in the State of Washington to sustainable or historical levels. This includes waters flowing into the state and all native fish in all waters.

- Sustainable levels of anadromous fish stocks to historical levels (to support both fisheries and ecological concerns)
- Education/Interpretation/Outreach
- Educate youth as present and future citizens who value and protect water quality and all species
- Maintain and restore native populations and natural processes
- Maintain ecological relationships in the watershed
- To protect, preserve and perpetuate fish and wildlife in their habitats
- Promote ethical sport fishing
- All native fish, all waters
- Protection & enhancement of resources guaranteed under the Treaty of Point Elliot of 1855

Interests of Wildcat Steelhead Club (Bill Reinard)

- Sustainable levels of anadromous and resident fish stocks to historical levels (to support both fisheries and ecological concerns)
- Maintaining and restoring wild populations and natural processes
- Maintain ecological relationships in the watershed
- To protect, preserve and perpetuate fish and wildlife in their natural habitats
- To harvest recreationally, with emphasis on high sockeye productivity
- PSE to stay in business with necessary needs provided

Interests of the Army Corp of Engineers (Marian Valentine)

- Provide flood control to the Skagit River Valley
- Minimize cost of flood control in the Skagit River to the Federal Government

Interests of City of Anacortes and Skagit County PUD No. 1 (Jerry Louthain)

- Provide clean, reliable and cost effective water supply that meets the needs of the City of Anacortes and Skagit County PUD, now and in the future
- Protection of existing water rights of the City of Anacortes and the PUD
- Maintenance of or increases in instream flows

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- Availability of additional water for appropriation in accordance with Ecology's proposed rule, Chapter 173-503 WAC Instream Resources Protection Program-Lower and Upper Skagit Water Resources Inventory Area (WRIA 3 and 4)
 - Maintenance of or improvement in the water quality of the Skagit River
 - Maintenance of or improvements in activities which result in reduction of flood peaks

Concrete Heritage Museum Association Interests (John Boggs)

- Develop public respect and appreciation for culture/history of area
- Protect, mitigate, and enhance cultural resources

North Cascades Conservation Council (Patrick Goldsworthy)

To preserve natural landscapes, biological diversity, and natural and wilderness ecosystems of the North Cascades.

Maintain and restore natural and cultural terrestrial biological diversity and ecosystem productivity.

- Provide for protection, mitigation, and enhancement of terrestrial species populations and habitats that would be affected by continuing impacts from the development, operation and management of the project.
- Mitigate for impacts to terrestrial species populations and habitats that have occurred since the construction of the Lake Shannon and Baker Lake dams.
- Provide significant opportunity for collecting culturally significant plants and animals.
- Facilitate the recovery of species proposed or listed under the federal Endangered Species Act.
- Facilitate the recovery of state listed endangered and threatened species and state and federally proposed, candidate, sensitive or monitor species.
- Comply with state and federal laws, comprehensive plans and treaties.
- Maintain and develop habitat connectivity to provide long-term plant and animal movement and dispersal.
- Manage or eradicate non-native plants and animals.
- Promote ecologically sound environmental education opportunities.
- Maintain and perpetuate the "natural" features of the North Cascades National Park, the Noisy-Diobsud Wilderness, and the contiguous Inventoried Roadless Area, designated without the development of roads.
- Ensure the future of wildlife by conserving, restoring and enhancing habitats.

Interests of a Citizen (Bob Helton)

Reasons for participating in the Baker River Project Relicensing ALP Process as a private interested citizen and PSE customer:

To help arrive at a reasonable cost of accommodation for using the Baker River watershed and river for the production of electrical power by PSE regarding the relicensing criteria for production of hydropower at the Baker River Project.

The costs of accommodation may include, but not be limited to, environmental mitigation, fish run protection and propagation of aquatic species over the proposed term of the relicensing period.

Interests of National Marine Fisheries Service (Steve Fransen)

Conserve public trust living marine resources and provide sustainable treaty, recreational, and commercial fisheries.

Interests of Town of Concrete (Paul Schissler)

To protect and improve the quality of life and economy of the Town of Concrete and its citizens.

- Allow the continued operation of municipal wastewater treatment facility on Baker River, upgraded to accommodate growth and to meet renewed NPDES permit.
- Help, not hinder, the Town of Concrete community economic revitalization as: Upriver hub for goods and services, job center for natural resource and technology employment, and base camp for regional tourism and eco-tourism (three-pronged economic development strategy).
- Catalog, archive and display historical information and artifacts related to Baker River and nearby natural and human history (Concrete Museum)
- Protect, restore and showcase cultural and historical resources and sites associated with Baker River, including National Historic Register sites (Thompson Bridge, Baker River Hydroelectric Works) and potential National Historic Register sites (Concrete Historic District)
- Comply with federal cultural resource laws and regulations.
- Educate youth as present and future citizens who value and protect water quality and all species.
- Plan and implement education/interpretation/outreach programs that complement the efforts of the Concrete School District focus on these issues.
- Continue to explore feasibility of the *Little Baker River Channel Restoration Project*.
- Include Town as a major node and service center in the network of recreational facilities and linkages surrounding the Baker River, including hiking, camping, boating, etc.
- Develop master plan for recreation and open space aesthetics along Baker River within the Town of Concrete and nearby.
- Provide socioeconomic support for the Town of Concrete.

PARKING LOT

- Members disclose legal requirements (perceived authority and responsibility)
- Members need to describe their roles in terms of decision-making authority in their organizations (this relates to who would be members of the Policy Solutions Team)
- Develop a template for Working Group recommendations
- Define a process for delayed resolution (based on incomplete studies)
- PSE provides their expectations of license legal ramifications
- Adaptive management:
 - How can we take into account future technology, knowledge, conditions, resources, etc.?
 - How can we balance licensee exposure?
 - Clearly define everything to be included in settlement agreement.
 - Determine what is/isn't part of the administrative record.
 - Develop procedures around press attending these meetings.
 - How to enlist recreational users.
 - Define "mitigate."
 - Define "baseline"

MEETING EVALUATION

Well-Dones:

- Lunches
- New participants
- Licensing discussion
- Caffeinated facilitator
- Discussion of MOU/A
- Started/stopped on time

Need to Improve:

- Need Park Service participation

TENTATIVE AGENDA FOR NEXT MEETING

February 28, 2001 Mountlake Terrace, WA

9:00 to 3:00 (with working lunch provided)

1. Introductions
2. Review/revise minutes/agenda
3. Action Items
 - Update on MOU draft
4. Review/finalize Communications Protocol (excluding the Process Document)
5. Review list of authorities
6. Review initial working group study requests
7. Review interests/objectives/expectations of the relicensing proceeding
8. Other issues?
9. Set agenda for Mar. 28 meeting and confirm location
10. Evaluate meeting