
Baker River Project License Implementation

Baker River Interim Coordinating Committee

November 20, 2007

10:00 am – 4:00 pm

Cotton Tree Inn

**2300 Market Street, San Juan Conference Room
Mount Vernon, WA 98273**

Conference Call-in Information:

MeetingPlace Main Number 425-456-2500

Toll Free Number 888-228-0484

Meeting ID: 123456 Password: 802906

AGENDA

10:00 Introductions

- Review Notes, Agenda
- Project Updates

10:30 Discussion of Settlement Flood Storage Article Language

12:00 Lunch

12:45 Review “Master Schedule”

- Next Steps
- Set Next meeting Date
- Evaluate Meeting

Attachment - Draft: Not Reviewed Or Approved By Or On Behalf Of Any Party

On November 2, 2007 PSE entered into a settlement agreement with the City of Mount Vernon, the City of Burlington and Dike Districts. No.1 and No.12. This settlement ends several years of litigation and challenges to the Baker Comprehensive Settlement Agreement that were pending and threatened in several forums. Importantly, this settlement commits the Cities and the Dike Districts to refrain from any further "action to directly or indirectly challenge, protest, appeal, delay, obstruct, impair or in any way interfere with the Comprehensive Settlement or the issuance and full implementation of the New License."

In exchange for these commitments, the Cities and the Dike Districts received a total of three million dollars, to be allocated among the parties and earmarked for "for additional flood control measures, to be implemented in such area or areas within the Skagit basin as Petitioners may determine." To be clear, these additional flood control measures do not involve the Baker Project and PSE is not a project sponsor. PSE understands that these dollars will be applied towards the cost of downstream flood control projects that either have been or will be proposed by the Cities and the Dike Districts. No specific projects were earmarked in our settlement. PSE also understands that any project that may be advanced by the Cities and the Dike Districts will be subject to any regulatory reviews and/or approvals that may be required for the project in question.

The settlement does not in any way affect the terms and conditions of the Baker Comprehensive Settlement. The Petitioners did ask, however, to be given the opportunity to present a proposal to modify Article 107 to the BRICC for consideration by all parties to the Baker Comprehensive Settlement. We would ask your cooperation in allowing this presentation to be made at the next BRICC meeting, scheduled for *[date]*. To be clear:

- The Cities and the Dike Districts intend to offer a proposed amendment of Article 107 to the parties to the Comprehensive Settlement for their consideration,
- The Cities and the Dike Districts shall be solely responsible for such presentation and any follow up communications, and
- The proposed amendment to Article 107 shall only be approved if all parties to the Comprehensive Settlement so agree.

After this presentation is made, the Cities and the Dike Districts have sixty days to undertake any further discussions that they deem appropriate to attempt and secure your written approval to any proposed amendment to Article 107. Your willingness to participate in any such discussions would be appreciated. However, to be clear, PSE is not an advocate of any proposed amendment to Article 107, nor does PSE or any other party have any obligation to offer or make any change or modification to the Baker Comprehensive. We would, however, appreciate it if you would take the time to listen to and consider their request. Thank you.