



PUGET SOUND ENERGY
The Energy To Do Great Things

Baker River Project License Implementation **Baker River Coordinating Committee**

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PRESENT: Kim Lane, Cary Feldmann, Paul Wetherbee, Arnie Aspelund, Tony Fuchs, Elizabeth Dubreuil, Jacob Venard, Haley Edwards, Kellie Anderson, Scott Williams, Nathanael Overman, and Andy Hunting (PSE); Bob Helton (Citizen); Stan Walsh (SRSC); Bob Nelson (RMEF); Greta Movassaghi (USFS) by phone, Dan Berentson (Skagit Co.) by phone, and Chuck Ebel (USACE) by phone, Lyn Wiltse and Jamie Riche, facilitation (PDSA)

BRCC MEETINGS: The BRCC meets semi-annually and reserves the 4th Wednesday of each month for potential BRCC meetings or conference calls. The next in-person meeting will likely be October 26, 2010.

DECISIONS – none today

QUOTABLE QUOTES

“The single biggest problem with communication is the illusion that it’s taken place.” G. Bernard Shaw
“You can take the Sprague out of the process, but you can’t take the process out of the Sprague.” S. Walsh
(Relating to Gary Sprague’s continued interest in the Baker process after a job change)

NEW ACTION ITEMS

- All RSVP to RMEF (Bob Nelson) by June 14 if you would like to attend the June 24 RMEF field review of management activities on lands related to the Lewis River project.
- Kim By May 31, schedule a meeting with Greta and Cary re addressing 4(e) license-related conditions into MOU.
- Kim Email Tony the updated Evaluation Process for the Use of Baker Funds.
- Tony Distribute the updated Evaluation Process for the Use of Baker Funds to the TRIG for consideration related to next week’s decision (authorizing the USFS to use a portion of unspent Late Seral Forest thinning monies for monitoring activities).
- Kim Clarify, expand Section 6 of the updated Evaluation Process for the Use of Baker Funds and send out to all to review and begin to apply.
- Kim/Andy Work with resource leads to distribute instructions for accessing various FTP sites when those are finalized.
- Kim Talk with Greta re PSE’s land acquisition policies, including requirements, needs related to potential partnerships, etc.
- Cary Email co-managers and copy Greta on suggestion to stock surplus sockeye in Lake

Shannon this year to possible help alleviate the overcrowding at Baker Lake.

- Lyn/Jamie Draft revisions to the March 24, 2010 BRCC Draft Meeting Norms so they can be sent out for consideration along with these notes. Suggested changes will appear in italics.
- All Send updates on the designated reps for your organization to Anna Wingfield (anna.wingfield@pse.com).

PREVIOUS, STILL RELEVANT, ACTION ITEMS

- All Continue to reserve the mornings of the 4th Wednesday of each month for potential BRCC.
- Cary Continue to send out email updates on implementation activities to all during the months where the BRCC doesn't meet in person.
- TRIG/ARG Members Continue to look for partnership opportunities for land acquisitions.

ANNOUNCEMENTS

PSE March 1, 2011 Reorganization:

- Ed Schild is now Director of Electric Operations (transmission and distribution side of PSE). He sends many thanks to BRCC members for their collaborative efforts resulting in a settlement that resulted in a 50 year operating license for the Baker project. He sends greetings and best wishes.
- Paul Wetherbee has moved from the acquisitions side of PSE to assume the position of Director of Hydroelectric Resources. Shortly after Paul joined PSE several years ago he assumed leadership of the Technical Scenario Teamlet which directed the many runs of the Hydrops model. He is excited about being back on the Hydro side of the business and especially the implementation of the Baker license.

Article 410:Threatened, Endangered, and Sensitive Species Plan

- Haley reported that she and Nathanael met with the RRG, Brett Barkdull (WDFW), Jeff Chan and Lou Ellyn Jones (both with USFWS) on the creation of a bull trout awareness poster entitled "Notice: No Black Put it Back". This poster will be placed at Upper Baker boat launches, USFS office in Sedro-Woolley, Lower Baker Office (PSE), and Lake Shannon boat launch on USFS bulletin boards. She distributed copies for all to review.

Awards for PSE and Partners:

- "Outstanding Stewards of America's Waters" Award for three decades of collaborative work to recover the Sockeye.
- PSE, R2, and CDM are also expecting to receive an award from American Academy of Environmental Engineers
- The superb concrete finishing work on the adult trap is being acknowledged tomorrow!

Update on Gary Sprague:

- Stan shared greetings from Gary Sprague (now with NMFS), whom he saw in Sacramento during a recent road trip. Gary's doing well and continues to follow our work from afar.

SAFETY MINUTE

Scott cautioned all to take care as the multiple cords on the floor constitute a serious tripping hazard. At elevated risk of tripping is the facilitator.

DESIGNATED REPRESENTATIVE DISCUSSION

Kellie Anderson reported that she has received the updated list of primary and secondary representatives from most Baker Settlement parties. PSE will send out another official mailing in the Fall asking parties

to confirm / update their designations. In the meantime, PSE team leads will remind participants in their working group meetings of the importance of keeping the designation information for each organization current. PSE uses this list for official mailings (e.g., 30-day review periods for draft reports and plans). Kellie emphasized the criticality of ensuring the right people receive the right information in a timely fashion. The PSE contact for this is Anna Wingfield. Her email is anna.wingfield@pse.com.

SCOPE OF SETTLEMENT AGREEMENT / LICENSE – PHILOSOPHY AND PERSPECTIVES

Paul began by thanking everyone for attending the meeting offering congratulations on the great progress made since he was last with this group as leader of the Technical Scenario Teamlet (coordinating the hundreds of Hydrops Model runs to illustrate various flow regimes. He cited some of the primary accomplishments, including the following:

- Upper Baker Floating Surface Collector (FSC): Starting its 4th season of outmigration.
- Producing fish from the new hatchery facility in anticipated numbers.
- Lower Baker FSC construction is scheduled to begin August of this year.
- Tunneling work has begun for Unit 4 at Lower Baker Powerhouse for minimum instream flow requirements.

Paul likened the Baker license implementation process to the process of creating great jazz. Jazz reserves areas for improvisation within the context of the “head” (frame) of the tune. The importance of the BRCC is reflected in the execution of the license in much the same way as a quartet (or, in the case of the BRCC, a “23-tet”) executes great jazz. The frame of the settlement agreement and license serves as the tune that holds the whole thing together.

Cary walked us through a graphic he created to illustrate the licensing process – a process that defined exposures and expectations of the parties. Article 603 in the license speaks to the concept of adaptive management options. It means that it can move around within the range of options. We find ways to accommodate adaptive management without compromising exposures / scope.

Voluntary programs can either be treated as discretionary or within adaptive management options. Cary explained that the intent was to be very comprehensive in the evaluation of alternatives. We want to work within the SA to adapt to changing conditions. We look first to the SA, then consider something as a voluntary program that we can fund (or not). He also acknowledged there is a dispute resolution process that can be invoked by any party. PSE has, in some cases, funded some things earlier than required and has also allowed “borrowing” between funds. Article 602 deals with adaptive management for each of the working groups.

Stan pointed out the license has many things called out in it with great specific detail. It also has specific deliverables called out without much supporting detail for accomplishing them. Any dispute would likely be within the arena of deliverables.

Kim explained that the various funds are in net present value with escalations built in. Cary showed the SA602 reference to the the growth domestic product price deflator by the US Dept. of Commerce.

BAKER SOCKEYE RECREATIONAL FISHERY IMPACTS

Greta explained that she had requested this issue to be addressed at the BRCC meeting today as it is representative of the many cross-resource issues being “spawned” by the various implementation activities (e.g., the spawning beach discussions between ARG and CRAG members). The adverse recreational impacts resulting from record sockeye returns are another cross-resource issue. Last season

there was much frustration for campers, fishermen, cam hosts, and law enforcement officers in trying to deal with the chaos of too many boats trying to launch from overcrowded parking areas as a result of the strong sockeye fishery. Greta stressed the importance of airing such issues between various working groups in a timely and collaborative fashion.

She presented the following premise:

Relicensing, and the settlement agreement for the Baker Project created the reasonable expectation that collaboration would continue during license implementation and that license implementation should be considered in a somewhat different light from agency/organization business as usual.

1. Project proposals should be shared within and between the working groups to not only inform but to accept comments and if necessary alter or adjust the proposals to accommodate the wishes of the parties.
2. Issues that arise as a result of license implementation should be addressed within the framework of the license with the appropriate resource groups or at the policy level, not outside the license in a separate venue.
3. It is incumbent upon each Parties' representative to be working within their respective organizations to assure that this intent is clear to their colleagues who may interact with the license in some manner.
4. While some things that may have been overlooked must be addressed through the adaptive management provisions, many issues can be resolved within the current framework through communication and cooperation.

She further explained that they will be providing additional parking this season at Swift Creek (formerly known as the Baker Lake Resort). They are working on short-term objectives, including signage, staffing, striping. Other objectives include collecting more data to direct long-term solutions. These activities need to be funded. An initial fieldtrip to review traffic flow patterns which might alleviate the heavy traffic occurred April 26 as part of the law enforcement plan meeting. During the fieldtrip there were discussions that included Hoodoo, PSE, and Forest Service all taking action to help make the coming season run smoothly and provide enjoyment for all.

Next steps:

Greta will convene a cross functional teamlet during the second week of May to survey the boat launches and develop a plan to implement in time for the coming season.

USFS DRAFT 4(e) PROCESS

Greta reminded the group about the terms and conditions associated with the USFS 4(e) process. For all proposed projects on National Forest Service (NFS) lands, USFS needs a package of specific information, documented in particular ways, as outlined in an appendix to the Settlement Agreement. In particular, they require a minimum of one year's advance notice of all activities proposed for NFS lands and a regularly-updated, "rolling" two-year schedule of proposed projects. This is necessary because USFS has very limited staffing and therefore needs sufficient notice of upcoming work to schedule their work. Activities on NFS lands can only begin after written notice to proceed is issued by USFS.

Kim pointed out that PSE now has a detailed calendar of License-related activities and suggested a meeting between PSE and USFS to coordinate calendars.

Next steps: He will set this up with Greta and Cary to discuss this within the next month.

EVALUATION PROCESS FOR THE USE OF BAKER FUNDS

Kim shared an updated “S.A. 602 Evaluation Process for Use of Baker Funds: Guidelines for Project Approval.” The document outlines a framework to guide the expenditure of Article 602 funds and to help evaluate / prioritize competing projects.

This document was first presented at the October 2010 BRCC meeting. The version Kim distributed today shows additions in highlighting. The changes included listing out the funds addressed by this document (TERF, RAM, HERC, and CREF), instructions related to phased projects, and requirements to describe both the proposal’s nexus to the license and the project evaluation. Kim emphasized that this is to be treated as a working document and will be revised, by consensus, over time in order to best meet the needs of the Baker license implementation process.

Tony noted that the next TRIG will be dealing with a proposal to use a portion of unexpended S.A. 513 (Late Seral Forest Thinning) monies to provide monitoring of the thinned areas. The BRCC agreed that the TRIG can move forward with making a decision next week if they choose..

Next steps: Kim will add additional detail to Section 6, and will bring this forward for adoption by the BRCC (following the decision protocol).

FUND ACCOUNTING

Kim distributed the updated Baker License Annual Fund Tracking Log (updated 4/1/11). It shows the funding available to each article including escalation and interest, as well as information about expenditures within each article. The document shows 2009 – 2012. The first two pages list O&M funds; the third page shows Capital funds.

Tony pointed out that the first round of Bald Eagle Night Roost Surveys are complete; he congratulated Haley for coordinating this work well and completing the surveys within budget.

2010 DECISION SUMMARY

Cary walked the group through a recap of the decisions made by resource groups in 2010:

- **RRG:** "Shall the RRG distribute \$50k (2006 dollars) RAM funds to the USDA-FS for the Baker Lake Resort Redevelopment?" -- **Yes**
- **RRG:** "Shall the RRG distribute \$11k (2006 dollars) RAM funds to Whatcom County Sheriff's Office for the purchase of equipment, listed in proposal dated December 10, 2009 (revised on February 22, 2010), requested by Deputy Jeff Turner?" -- **No consensus. Two votes followed and no consensus was reached. It was elevated to the BRCC, withdrawn, and addressed by USFS.**
- **RRG:** "Shall the RRG distribute \$15k (2006 dollars) RAM funds to the Washington Department of Fish and Wildlife for the purchase of equipment, listed in the proposal dated February 2, 2010 (requested on February 5, 2010)?" **No consensus**
- **RRG:** "Shall the RRG approved USFS request for 2010 RAM Funds, in the amount of 50k (\$2006) to be used for the purpose of continued development of the Baker Lake Resort?" -- **Yes**
- **ARG:** “Shall the deadline to complete the final report on the Sockeye Smolt Production Capacity Study be extended to November 15, 2010?” -- **Yes**
- **ARG:** “Shall the deadline to file Article 108 Baker River Gravel Management Plan, based on an alternative schedule, be extended to January 31, 2011?” -- **Yes**

- **ARG:** “Shall the deadline to file Article 109 Large Woody Debris Management Plan, based on an alternative schedule, be extended to January 31, 2011?”-- **Yes**
- **TRIG:** Does the TRIG authorize PSE Real Estate (Ira McDaniel) and the Rocky Mountain Elk Foundation (Ray Crosswell) to continue to search for potential properties related to Settlement Articles 502, 503, and 504, and bring those potential properties to the TRIG for review, with the expectation that PSE Real Estate and RMEF would work approximately 2 days per month each with the approximate total cost of \$3,000 per month (including expenses) charged to the acquisition funds for above articles? -- **Yes**
- **TRIG:** Decision Item #1: Does the TRIG authorize PSE to proceed to negotiate and make an offer to acquire Property X for an amount not to exceed \$1,200,000 with current money from the SA 503 Elk Habitat acquisition funding, and that the Elk Habitat funding would be reimbursed from SA 502 and SA 504 for their TRIG agreed upon allocation amounts when acquisition funding for those articles becomes available? -- **Yes**
- **TRIG:** Decision Item #2: Does the TRIG agree that funding for the final negotiated acquisition cost of the property will be allocated from the SA 502, 503, and 504 budgets at the following ratio: 20% from SA 502 Forest Habitat, 78% from SA 503 Elk Habitat, and 2% from SA 504 Wetland Habitat? -- **Yes**

Lyn asked how the decision process has been working for the resource groups. Attendees agreed that the process is working well. Tony pointed out that, operationally, there are many “smaller” decisions that happen at every meeting without being run through the formal decision process, for example during document development, authorizing smaller expenditures for studies, etc. Cary added that this, too, is a collaborative process. As the resource groups grow into their roles, members are finding the balance for knowing which decisions rise to the level the formal decision process.

WEBSITE UPDATE

Andy Hunting (PSE’s Senior Technical Communicator, aka: website redesign and technical plan / annual report point person) introduced himself to the BRCC and walked the group through a review and demo of the new site (that went live April 18, 2011).

The quickest way to get to the hydro licensing page is to start at www.pse.com, click on “About PSE” (at the top of the main page), and then choose “Hydro Licensing” from the links on the left side of the page. This page has links to both the Baker and Snoqualmie relicensing processes. Once you choose Baker, at the bottom of the page there is a box titled “Project Documents.” From there you can choose “Current license documents” or “Archived Documents.” Current documents includes documents that are still live, governing documents grouped in the following three categories: “Baker License and Amendments,” “Plans and Studies,” and “Related Links.” The Archived Documents section includes documents that are from prior years, were related to the effort to reach settlement, or have been superseded in some way, and are organized into the following categories: “2010 Resource Group Documents,” “2009 Annual Reports,” and “Project Archive 2000-2009.”

Arnie asked where FERC orders will go within the site. Andy noted that the site continues to be a work in progress, and the full scope of potential documents to go into the site hasn’t been determined. There are also some sections where links need updating; Andy is aware of this and is working on it. Andy is the point person and will continue to stay involved to ensure the site remains organized and easy to navigate. Email him at andrew.hunting@pse.com if you have questions or suggestions for improving the site.

REVISITING NORMS

Lyn reminded folks that the norms are intended to be a living document, updated as needed. She noticed that some of the listed norms seem to be hold-overs from the settlement process. There was lengthy conversation about item D-15 (Meeting Conduct, Item #15 related to distribution of presentations in advance when possible/practical). The group agreed that the current process is working well for most participants and decided to leave the norm as-is.

Other suggested changes:

- Change “minutes” to “notes” throughout
- Add scent-free request
- Change norm to require posting to FTP site rather than emailing large files
- BRCC meetings aren’t necessarily at WDFW Mill Creek anymore

Next steps: Lyn and Jamie will do an initial revision of the norms for all to consider. They will be distributed along with these meeting notes. Team leads will conduct similar reviews of norms for their working groups.

WORKING GROUP UPDATES

Recreation (RRG): Cary delivered this report as Pam was at an off-site meeting with Skagit County. The Law Enforcement Plan team met to discuss incident response in the Baker Basin, identify contact names, equipment resources, and available personnel for responding to issues on USFS lands. A group went on-site to review boat launch sites and talk about improved parking facilities and access to distribute the Sockeye anglers across more sites. Cary will email the co-mgrs to ask them to consider the idea of stocking surplus Sockeye into Lake Shannon to give fishermen another place to go.

The newly renovated Swift Creek campground is scheduled to re-open Memorial Day Weekend. The Forest Service is considering a ribbon-cutting ceremony sometime in June.

Aquatics (ARG): Arnie reported that the ARG last met April 12 by conference call. The decommissioning dialogue continues; a matrix was presented and will go before the CRAG next. The Lower Baker FSC has a construction contractor lined up; they are working on shop drawings and on-site construction is slated to begin in August. The last Fish Passage Technical Working Group meeting was focused on the work to repair the tear in the guide net. Arnie reported that this repair is a high priority and is moving forward on-schedule. Test groups of fish will not be released until the repair in the guide net is complete. The hatchery is in its first year of production and is going very well. The goal was to incubate 5 million eggs; that was met, and they are on-target to release 5 million fry. The next ARG meeting is May 10 in Burlington; most of it will be focused on a workshop from the 107(c), imminent drawdown procedure working group.

The June 14 ARG meeting will be held at the Baker Lodge and will include tours of the various facilities in the afternoon. Arnie invited anyone interested in attending the tour to let him know.

Aquatic Riparian (ARHWG): Jacob explained that so far only one proposal has come before this group for consideration. It came in March of 2010 to potentially acquire a parcel of land. Skagit Co. (the proponent) is doing some additional homework related to the value of this parcel and the possible approaches for the project. When they’re ready, Jacob will call the group back together. Jacob reminded

the group that proposals can be brought forward at any time.

Cultural (CRAG): Elizabeth shared that since last October, the CRAG has completed a stabilization project at Horseshoe Cove to protect a site that was eroding. They are also monitoring areas that are at or below the inundation zone. They have completed the cultural work related to the FSC construction. The only thing left there is to determine the disposition of the gulper, which is an historic property. Elizabeth anticipates the need for mitigation plans related to the gulper and the decommissioning of the beaches. She has also been working with Tony to conduct historical surveys of the Alder Creek (TRIG, Elk Forage) property. The CRAG did not meet in April. Their next meeting will be May 18.

Terrestrial (TRIG): Tony reports that the TRIG will meet May 5 via Web-X / conference call. He explained that there is currently a second property in the pipeline for possible acquisition. Tony shared information about this property and work being done to negotiate easement / access rights. They will consider a proposal to utilize a portion of unused Late Seral Forest thinning money to monitor “fuel” on the site.

Tony also described the studies done so far on the Alder Creek property (steep slopes, wetlands, road analysis, cultural review, etc) in preparation for requesting approval of an alternative forest practices plan from DNR. Tony and Scott are planning to go on-site to look for evidence of spotted frogs. Tony, Don Gay, Scott, and Bill Richardson are planning to go on-site next Tuesday to identify forage enhancement activities on a polygon-by-polygon basis. Tony and Cary are working on a flow chart to map out the land acquisition and management process for this parcel. At the next TRIG meeting, they will also discuss managing public access on acquired lands; the goal is to establish procedures by the end of summer (before hunting season begins).

The Botanical teamlet is working on weed management sites and plans for the 2011 growing season. This is one of the *Carex flava* survey years, and the Carex Working Group has been hired for this work.

Haley reported that the first round of Bald Eagle night roost surveys were completed this spring. A report will be coming out soon. The loon platforms are all in place; they added nets to the Shannon platform to keep the geese off (and, the geese promptly moved to the Osprey platforms). They have started surveys for both loons (twice monthly) and Ospreys (monthly). She’s also working on implementation of the Legacy Wood article; she is working with Bob Kuntz (NPS) and the Puget Sound Bird Conservatory on this project.

CRITERIA / GUIDELINES FOR PROPERTY ACQUISITIONS

Kim reported on his work to develop a set of guidelines or criteria for property acquisitions. Once he got into this process, it became clear that it would be unwieldy to try to develop an overarching policy when there are so many possible options. He will follow up with Greta on this.

MEETING EVALUATION

Worked Well:

- Thanks Bob N., Bob H., and Stan for coming; thanks also to Greta, Dan, and Chuck for calling in.
- Good discussions
- Room, food excellent

Do Differently:

- Work to address light attendance issue
- Burlington, with Web-X and Call-in, may be a better location for getting agency attendees?

HANDOUTS

- April 27, 2011 BRCC Meeting Agenda
- October 27, 2010 BRCC Final Meeting Notes
- Bull Trout Poster
- Annual Funding Spreadsheet (April 1, 2011)
- BRCC Draft Meeting Norms (last revised March 24, 2010)