
BAKER RIVER PROJECT RELICENSE

Solution Team

September 25, 2002

9:00 a.m. – 3:00 p.m.

US Forest Service Office
21905 64th Avenue West
Mountlake Terrace, WA 98043

AGENDA

1. Introductions
2. Settlement Process Update
 - PME progress by Working Group
 - Settlement Plan/Schedule
3. Action Items
4. What's hot in Working Groups?
5. Prep for FERC Conference call
6. FERC Call
7. Schedule/Studies Indices/Study Timeline
8. NEPA Consultant Selection
9. HYDROPS Update
10. Discuss/revise meeting schedule – move to Tuesdays?
11. Other?
12. Evaluate Meeting
13. Set agenda for October 30 meeting

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Mission: 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.

FINAL MEETING NOTES

Note: Call Connie at 425-462-3556 if unable to attend the meeting so she can plan for lunches. Call Lyn's cell phone 425-890-3613 if something comes up at the last minute (on the way to the meeting).

Team Leader: Connie Freeland (Puget Sound Energy) 425-462-3556, connie.freeland@pse.com

Members Present: Mike Henry and Keith Brooks (FERC, by phone), Arn Thoreen (Skagit Fisheries Enhancement Group), Gary Sprague (WA Dept. Fish & Wildlife), Ken Brettmann (U.S. Corps of Army Engineers), Bob Helton (Citizen), Bob Nelson (Rocky Mt. Elk Foundation), Stan Walsh (Skagit System Cooperative), Jon Vanderheyden and Rod Mace (U.S. Forest Service), Ed Schild, Lloyd Pernela, Cary Feldmann, Kris Olin and Connie Freeland (PSE), Patrick Goldsworthy (North Cascades Conservation Council), Len Barson (The Nature Conservancy), Steve Jennison (WA Dept. of Natural Resources), Dee Endelman and Bruce Freet (Agreement Dynamics), Lyn Wiltse, Facilitator and Mary Jean Bullock, Note-Taker of PDSA Consulting, Inc.

NOTE: Ed Schild announced that Kris Olin will be assuming many of Lloyd Pernela's duties in leading this relicensing effort. This will free up Lloyd to concentrate on the many tasks required by FERC in the broader context. Kris can be reached at 425-462-3051 and kris.olin@pse.com

INTRODUCTIONS

We welcomed the following first-time participants to the Solution Team: Len Barson, representing The Nature Conservancy; Ken Brettmann, the U.S. Army Corps of Engineers; and Kris Olin, PSE.

FUTURE MEETING DATES

October 30, November 26, December 17, all at USFS Office in Mountlake Terrace .
Note: Starting in 2003, the Solution Team will be meeting on the fourth Tuesday of each month.

All are invited to attend the next Economics Working Group meeting October 9 at the PSE office in Mount Vernon. There will be a presentation by Ken Brettmann of the Corps on the historical flood control issue.

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NEW GENERAL ACTION ITEMS

- Dee: Send out settlement process materials to members electronically.
- Dee, Bruce, Lyn: Draft mechanism for Working Groups to use to get over the uncertainty hump with regards to some PMEs. We will discuss at our October meeting (dimensions such as time/cost, etc.).
- Rod: Get list of requirements for CZMA consistency determination and 401 Water Quality Certification and Shoreline Management Act permits.
- Connie: Contact NOAA, USFS, USFWS, Dept. of Ecology, OAHP re: submitting schedule for meeting deliverables for relicensing process.
- Kris: Contact Rick Miles/FERC re: being one of ten ALPs to be examined by the U.S. Institute for Environmental Conflict Resolution.
- Mike/Keith (FERC): By October 15, send to Connie to send out to members examples of adaptive management and settlement agreements from other proceedings.
- Connie: Forward what comes from Mike and Keith to Solution Team members for review.
- Lloyd: Check on the availability of a user manual for the HYDROPS model.
- Lyn: Button up with Gene and Steve re: change of future meeting days.
- Lyn: Talk to team leaders about putting attachments (like study list) on website.
- Connie: Email updated Study Index matrices and post on web.
- All: Review info on Solution Team membership list and send changes to Connie.

REPORT ON OLD ACTION ITEMS

- Lloyd: Sent out the questions submitted to potential NEPA contractors to Solution Team members.
- Connie: Faxed Steve a copy of USFWS's comments on Scoping Document 1.
- Steve: Checked out USFS comments on ICD.
- Lloyd: Got more information about what our participation in the FERC 10 Alternative License Process observed processes would look like.
- Burt: Contacted Whatcom County re: their needs for a shoreline development permit for this Project.
- Steve: Checked the BA process for the Alternative Licensing Process. (Mike clarified as per notes on FERC Conference call below.)
- Cary: Had R2 send literature list to Steve Jennison and Gary Sprague for review (large woody debris).
- Arn: Checked into initial SRFBDP grant request.
- Arn: Sent definition of "kelt" to Connie for the glossary.
- Jon: Confirmed availability of meeting at USFS office at Mountlake Terrace on Nov. 26.

SETTLEMENT PROCESS UPDATE

The facilitator team for the settlement process consists of Lyn Wiltse, Dee Endleman and Bruce Freet. Dee and Bruce walked us through the strategic steps toward coming up with a settlement agreement. The major steps are:

1. Prepare a framework for settlement (August-October 2002)
2. Produce PME and Agreement in Principle (AIP) (November 2002-March 2003)
3. Revise PMEs and develop management plans—preliminary terms, conditions and recommendations (March 2003-September 2003)
4. Develop Draft Settlement Agreement (September-October 2003)
5. Negotiate Final Settlement Agreement (October-February 2004)

We agreed that we need to come up with some type of mechanism to address uncertainties (over the term of the license). Examples of uncertainties are climate changes, new research or technology advances. We also reviewed the major steps over the next six months that need to occur in order to come up with an Agreement in Principle (AIP). This will be a precursor to the draft settlement agreement. We agreed to go forward with this plan and will roll it out to the Working Groups starting in October.

The Solution Team will play an important role in removing barriers to the process. We will also be identifying any gaps or overlaps across resource areas. The facilitator team will button up with the PDEA contractor to ensure they transition smoothly into the process.

WHAT'S HOT IN THE WORKING GROUPS?

AQUATICS

- Instream flows
- Flood control

Things are running smoothly. Instream flow studies are underway.

CULTURAL

- Almost finished with APE
- Interim plan

They had tribal representation at the September meeting. They have brought on board new consultants to finish up the archaeological survey work and begin work on Traditional Cultural Properties. The study design will be revised to show an intent to do 100% coverage of the drawdown zone. Reasons for areas not covered will be provided (e.g., safety considerations, etc.). Dee will be attending the October meeting to begin the process of developing draft options for PMEs.

RECREATION

- Visioning Exercise – From 9 a.m.-1:30 p.m. on November 6 at the CottonTree Inn in Mount Vernon is when stakeholders with a cross-section of interests will participate in a visioning exercise.

Some members are expressing concern about opening up this exercise to such a broad audience. Nearly 100 invitations are being sent out by the end of the month. It is important that they get good representation from many different stakeholder groups.

TERRESTRIAL

- Doubling up on meetings
- Good collaboration!

They are working through issues around the scope of the elk study and whether a HEP or alternate method would best serve as a vehicle to analyze/interpret the data they are getting from studies. These issues should be resolved prior to their October meeting.

ECONOMICS

- Finishing HYDROPS model
- Setting hydrology baselines

They are reviewing the issues they originally defined in January 2001. Dee will be attending their October meeting to begin the process of developing draft options for PMEs.

FERC CONFERENCE CALL

- FERC would notice the applicant-prepared Environmental Assessment and concurrently notice the Biological Assessment either as a separate document or within the Environmental Assessment.
- Setting up schedule for regulatory meetings:
 - October 31 from 9 a.m. to 3 p.m. at Dept. of Ecology in Bellevue
 - 401 Water Quality Certification
 - Coastal Zone Management Act
 - Shoreline Permit
 - October 29 from 9 a.m. to 3 p.m. at the USFS Building in Mountlake Terrace
 - Attendance of NOAA Fisheries is essential, so we will plan around their availability. Define the processes for:
 - ESA
 - Section 18
 - 4e
- Who has signed up for the ALP “One of 10 Poster Children” process?
 - Kris Olin will get more information on this so we can make a decision at our October meeting whether or not to participate.
- What’s up with Homeland Security?

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- They will let us know when they know.
 - Examples to help us wrestle with the uncertainty issue?
 - Mike will send Connie some sample settlement agreements to distribute.
 - Keith will send Connie a document containing examples of adaptive management examples to distribute.

SCHEDULES/STUDIES/STUDY TIMELINE

Lloyd and Connie distributed updated (though not entirely complete) versions of these documents. They will be continually updated and posted on the web. Connie will also email out complete versions of the study matrix indices to members.

NEPA CONSULTANT SELECTION

Lloyd reported that PSE interviewed three firms regarding development of the NEPA document: Environmental Resources Management, EDAW, and Louis Berger/Meridian. Important considerations were local presence, ALP experience and EA experience.

Louis Berger has been chosen. We are still fleshing out what their participation will look like. We don't want their participation to interfere with Studies and other Working Group tasks.

According to the Process Document, the Solution Team must approve the NEPA consultant selection. We agreed to move forward with Louis Berger. We look forward to meeting Rob Mohn, the Project Manager, at our next Solution Team meeting.

HYDROPS UPDATE

We hope to have all hydrology baselines by year-end and outputs finalized in October. Stetson Engineering is reviewing the model currently to verify that it is an appropriate and sufficient model for us to use. All are invited to attend the next Economics Working Group meeting October 9 at the PSE office in Mt. Vernon. Participants can request software that allows them to access the model. They can also access it at PSE offices in Bellevue. Participants are to contact Joel Molander at PSE @ 425-463-3603 to schedule time if they want to "play" with the model.

DISCUSS/REVISE MEETING SCHEDULE

We moved our meetings from the fourth Wednesday to the fourth Tuesday of the month beginning January 2003.

PARKING LOT

- 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 Solution Team).
- Define a process for delayed resolution (based on incomplete studies).
- Adaptive management:
 - How can we take into account future technology, knowledge, conditions, resources, weather (global warming), etc.?
 - How can we balance licensee exposure?
- How to enlist recreational users.
- Define "project induced." (Teamlet?)
- FERC boundary.
- Develop public information protocol.

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- Summary of Record of Decisions.

HANDOUTS

- *Washington Wildlands* Spring/Summer 2001 (The magazine of The Nature Conservancy)
- Strategic Steps to a Settlement Agreement, Baker Relicensing Project Facilitation Team, Presentation to Solution Team—September 2002
- Baker Relicensing Project Timeline for Agreement in Principle (AIP)
- Facilitation Team Overview
- Study Request Index and Study Index (23Sep02)
- Baker Relicensing Schedule (24Sep02)
- Proposal presented by the Berger Team: Applicant-Prepared Preliminary Draft Environmental Assessment for Relicensing the Baker River Project
- Scoping Document I comment letters: Skagit System Cooperative (July 22, 2002), Skagit County (by Mentor Law Group, July 18, 2002) and Skagitonians to Preserve Farmland (July 18, 2002)
- Solution Team membership roster

TENTATIVE AGENDA FOR NEXT MEETING

October 30, 2002 at USFS Office Building in Mountlake Terrace

9:00 a.m. – 3:00 p.m.

1. Introductions – The Louis-Berger Group, FERC
2. Settlement Process Update: Review Draft Options for PME by Working Groups
3. Settlement Process:
 - Dealing with Uncertainty: Adaptive Management
 - Framework for Settlement Agreement
 - PME Format/Instructions
4. Action Items
5. IPP/Flows Report; ESA Update
6. Process for 6-Month Progress Report to FERC
7. Debrief from Oct. 29 Meeting: 4e, Sec. 18, ESA
8. Preview of Oct. 31 Meeting: 401, CZMA
9. What's Hot in Working Groups?
10. Schedules/Studies Indices/Timelines
11. PDEA Update
12. HYDROPs Model Update
13. Other?
14. Set November 26th Agenda
15. Evaluate meeting

MEETING EVALUATION

Done Well

- Really good focus
- Ken and Len's presence
- Facilitation was adequate
- Welcome Bruce!
- Coffee/Food
- Out early!
- Forest Service is a Great Host!
- Gary's goat story

Need to Improve

- Missed good weather by being indoors
- Acronyms and jargon were difficult to follow