
BAKER RIVER PROJECT RELICENSE

Solution Team

Status Report in Lieu of Meeting

December 19, 2003

***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.*

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Future Solution Team Meeting Dates

Jan. 6, Jan. 27, Feb. 10, Feb. 24, Mar. 2, Mar. 23, Apr. 6, and Apr. 27.

These meetings will be held at the USFS Building in Mountlake Terrace, unless otherwise specified.

STATUS of ACTION ITEMS from November 25, 2003 Meeting:

- Steve H: Touched base with Frank Winchell re: Ron Kent of the Corps' participation on the Cultural Working Group (concurring or primary signatory?). [Corps will be a concurring party.]
- Dee/Lyn: Talked with Team Leaders re: Access Management and Phil's Cross Resource Evaluation Tool.
- Connie: Emailed Phil's memorandum to members not present.
- Lyn: Told Lloyd to put out a memo re: "yes" or "no" on December Economic/Operations meeting.
- Lyn: Saw that Steve Fransen, Gene Stagner and Gary Sprague have January 6, 2004 meeting on their calendars, as we will be creating the 2004 Work Plan at that meeting.

SETTLEMENT PROCESS UPDATE

RESOLVE Update:

Cultural: This working group continues to meet the timeline it set out for itself. There will be only one license article coming out of this group's work (which will result in a detailed Historic Properties Management Plan). That license article has already been drafted by the Berger Group and is currently being reviewed by the working group.

Terrestrial: As of their last RESOLVE session on December 5, this working group seems close to reaching agreement in most major areas, although they are still working on the costs of the package. The team leader and consultant are currently drafting final PME's and a cost sheet for the group's review. They have five license articles prepared by the Berger Group and the working group is currently reviewing these also.

Aquatics: This working group has had four license articles prepared by the Berger Group. The team leader will shortly send these out to the working group for review. The group appears pretty close to reaching agreement in most areas except for instream flows, which has been the focus of the group for the past month. Following is a summary of the activities of the technical groups engaged in working on the instream flow issue:

TST:

In addition to continuing to request and review output from HYDROPS runs that reflect the interests of their own organizations, TST members, at the end of their December 12 meeting, began defining the elements of a shared reservoir management regime. This involved sketching out, on a month-by-month basis, different resource and interest-based concerns regarding flows. They also set up an additional meeting in the form of a conference call to continue this very important discussion. Attached is a TST Activities Summary, which includes HYDROPS analyses added since the update presented at the Oct. 28 meeting.

Instream Flows:

Members of this Technical Working Group completed the requirements for the output for Level 3 and 4 analyses. During the last hour of their last meeting on December 15, they continued the work begun by the TST by discussing, on a month-by-month basis, different ramping and flow requirements, looking from both biological and economic perspectives. They agreed to meet again January 7 and 8 with the expectation of having an agreed-upon flow regime for inclusion in the next version of the PDEA. Input on this is due to the Berger Group by the end of January.

Fish Passage: Efforts now focus on engineering design development of the Upper Baker floating surface collector for installation in 2007, as well as refining the performance standards and evaluation procedures for the facility. The phased development schedule has been refined by the technical team to better reflect logistical and information needs as deployment progresses.

Design of a new guidance net system has been completed, and fabrication continues for installation in March 2004. The new system consists of a completely redesigned guidance net and automated float array, as well as a rigid-framed and lined transition structure to control entrance hydraulics into the existing surface collector. All key components to the future facility, the replacement system is being installed as an interim improvement, as well as to test several assumptions being incorporated into the future floating surface collector design.

Recreation: This working group has been working on prioritizing the PME package and discussing costs. At their most recent meeting on December 15, the working group went through a process to create a "raw priorities" list of PME's and identified elements that needed to be higher priority than the list would indicate. They also have identified the core aspects of each PME and have begun discussing ways to

meet core interests with an acceptable cost package. A Teamlet is currently working on this. The USFS and PSE have formed a policy team to discuss costs and have had several meetings, taking under advisement the information generated by the working group. The working group will meet again on January 9, 2004, to review the Teamlet's work and, hopefully, craft recommendations to the policy team. These recommendations will ultimately come to the Baker Solution Team with the rest of the PME package.

Economics and Operations: This group has dealt with one primary license issue, i.e., flood control. The group has not met as a whole regarding flood control since its last working group meeting in November. At the January meeting, the consultant will share what is available from the flood control study commissioned by the working group. In the meantime, PSE has continued to have a dialogue about flood control with Skagit County in an effort to address the County's interests.

Legal: The legal working group last convened on November 11. At that meeting, Richard Roos-Collins, attorney for the Nature Conservancy, and Lorna Luebbe and Pamela Krueger, attorneys for PSE, volunteered to do some re-drafts of the boilerplate language based on concerns discussed at the meeting. On December 17, the re-drafted language was sent to the legal group. The group will reconvene on January 13, 2004, hopefully to resolve any remaining issues in the boilerplate language and to set the stage for legal review of the license articles that the working groups have been reviewing.

Adaptive Management: A Solution Team Teamlet is attempting to set a date to meet in late January to review the three PMEs related to Adaptive Management (6.1, 6.2 and 6.6).

PME STATUS

Attached is the updated table giving the status of PMEs as of Dec. 19, 2003. Those noted in bold print have tentative agreement from the working group and have either gone to or are ready to go to the Berger Group for drafting into license article language. License articles have been drafted for 10 PMEs and are out to the working groups for review.

SCHEDULES/TIMELINE/DOCUMENT UPDATE

Attached is an updated list of milestone dates. The updates occur from January 9 through April 1. Most of the additions relate to review of comments on the License Application and PDEA and the process for preparing the final documents. This includes setting deadlines for input to the final PDEA and License Application, including the Proposed Action to be analyzed, definitive model runs, and PME cost estimates for both the Proposed Action and for any agency proposals that differ from the Proposed Action. Attached is an email from Rob Mohn of the Berger Group listing the milestone dates related to PDEA and License Application preparation.

DRAFT 2004 SETTLEMENT WORK PLAN OUTLINE

Dee prepared the following draft outline, after discussion with Lyn, Kris and Connie. We will revise/expand this outline at the Jan. 6 meeting.

Baker Solution Team
Draft 2004 Settlement Work Plan Outline

Team 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.

January 2004 Actions: These actions are geared towards assuring that major issues to be included in the PDEA are completed and towards keeping the momentum going regarding the settlement agreement itself.

1. 1/6/04 – Review and approve license articles completed to date.
2. 1/6/04 – Review current status of all working groups' PME discussions and develop strategy to resolve issues in case they are not completed by working groups by 1/16/04.
3. 1/27/04 – Review PME package¹ as a whole for inclusion in the PDEA/Settlement Agreement.

February 2004 Actions: These actions are geared towards the drafting and approval of the settlement agreement.

1. Continue to review and approve license articles completed to date.
2. Continue to monitor working groups as they complete the package.
3. Review and approve PMEs on Adaptive Management.
4. Develop and execute strategy to ensure endorsement of settlement agreement by various signing officials.
5. Monitor legal working group's progress and develop strategies to keep collaborative drafting process going.

March 2004 Actions: These actions are geared towards approval of the settlement agreement and making plans for closure of this phase of your work together.

1. Review completed license articles completed to date.
2. Review settlement language completed to date.
3. Develop a plan for completion of drafting and signing of the settlement agreement.
4. Plan a celebration!

April 2004 Actions:

1. Monitor signing progress.
2. Celebrate!

ATTACHMENTS

- Baker Relicense Project – Milestone Dates (updated Dec. 19, 2003)
- PME Status as of December 19, 2003
- TST Activities Summary (18-December-2003)
- Baker PDEA/Application Update – Memo from Rob Mohn (Dec. 9, 2003)

¹ The working groups will continue to flesh out PMEs and accompanying details into February. The Solution Team will be working on Adaptive Management PMEs in February also. Therefore, this review is of substantive areas of agreement, recognizing that not all of the details will be filled in.

TENTATIVE AGENDA

January 6, 2004 at USFS Office Building in Mountlake Terrace

9:00 a.m.–3:00 p.m.

1. Introductions
2. Settlement Process Update
 - RESOLVE Session Updates
 - Shared Resources Teamlets
 - Progress Made with Cross Resource Evaluation Tool
 - How to integrate into NEPA document
3. Schedules/Timeline/Document Updates
4. FERC Call: 11:00
5. Revise/Expand Elements of 2004 Solution Team Settlement Work Plan (anticipate starting work plan at 11:00)
6. Action Items
7. Working Group and Technical Working Groups:
 - What's Hot?
 - Status of Studies in Working Groups
 - Update on Technical Working Groups (TST, Fish Passage, Instream Flows, etc.)
8. Other?
9. Set January 27, 2004 Agenda
10. Evaluate Meeting