



BAKER RIVER PROJECT RELICENSE

Terrestrial Resources Implementation Group Elk Teamlet Meeting

**January 25th, 2007
(9:00 a.m. to Noon)**

**PSE Mount Vernon Business Office conference room
1700 E. College Way
Mount Vernon, WA 98273**

**Conference Call Line: 1-888-228-0484, Conference ID: 213454
Conference Password: 12345**

(Please tell Tony (425-462-3553 or 206-276-1204(cell)) if you plan to call into meeting)

AGENDA

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| 1. Welcome, review notes, action items, agenda |
| 2. Licensing update <ul style="list-style-type: none">▪ BiOp, WQC, SEPA, anything else? |
| 3. Land acquisition update <ul style="list-style-type: none">▪ Status of communications w/ “initial parcel” heirs – Actions required by TRIG?▪ Status of pre-acquisition activities on three parcels▪ Status of search for swap lands |
| 4. Identification of alternative initial acquisition properties - ongoing <ul style="list-style-type: none">▪ RMEF Initiatives▪ Identification of other ownerships, parcels for trade▪ Steps for approaching land owners and making offers |
| 5. Land Acquisition Plan – ongoing <ul style="list-style-type: none">▪ Pre-acquisition Studies▪ Due diligence work▪ Acquisition budget expenditures - Costs Spreadsheet▪ Agreements with landowners▪ Addition of MOU with RMEF |
| 6. Other? |
| 7. Evaluate meeting and set date and agenda for next meeting |

Baker River Project License Implementation

**Terrestrial Resource Implementation Group
Elk Teamlet
Final Meeting Notes**

January 25, 2007
9:00 am - 12:00 pm
PSE - Mount Vernon, WA

FINAL MEETING NOTES

Team Leader: Tony Fuchs (PSE), 425-462-3553, tony.fuchs@pse.com

PRESENT

Tony Fuchs (PSE); Bob Nelson, Ray Crosswell, and Mike Mueller (RMEF); Brock Applegate (WDFW); Don Gay (USFS); Chris Madsen (NWIFC); and Jamie Riche, facilitator (PDSA Consulting, Inc).

NEXT MEETING DATE

Date: Tuesday, February 20, 2007; 9:00 – 12:00, location TBD (Mtlk. Terrace?)

AGENDA TOPICS

- Licensing Update
- Update on “Initial Parcel” discussions
- Review Status of Alternative Properties
- Land Acquisition Plan
- RMEF Initiatives

NEW ACTION ITEMS

- Tony – Schedule mtg. w/ Ray, Marty, Mike, others to discuss ‘alternate’ lands
- Ray – Connect w/ alternate land owners
- Tony – Work with Ray to prepare for Feb. 2 legal (easements) meeting
- Tony – Send Ray Marty’s email about alternate landowner contact information
- Tony – Confirm location for Feb. 20 mtg; notify team
- Mike – Follow up w/ Tony & Ray re: the “initial parcel” owners’ questions

OLD ACTION ITEMS

- Ray - (formerly Tom) Send Tony contact information and instructions for site visits
- Tony – Act as our liaison and send instructions to the team

- Tony – Continue to work with PSE’s budget folks to develop simple budget spreadsheet
- Chris – work with Todd to send Tony a disk with maps of former Crown lands – including all of Skagit, Snohomish, too, if available
- All – Continue to think about other desirable parcels and bring ideas to future meetings for consideration
- Ray - (formerly Tom) Talk to landowner about their perception of parcel values

REPORT ON OLD ACTION ITEMS

Several of Tom’s action items from our August meeting have been transferred to Ray.

Chris will work with Todd to secure a disk with maps of former Crown lands to send to Tony.

Tribal Representation

We were glad to have Chris with us, and noted our interest for strong tribal representation as we get closer to a decision about land acquisition.

RMEF Update

Tom Macy retired and Ray Crosswell came on as lands program manager to work with RMEF’s partners to focus exclusively on Elk lands. Tony shared that PSE has signed a contract with RMEF to act as a consultant to move the property acquisition forward. When a parcel is selected and agreed upon, PSE’s real estate office will take the lead.

Update on “initial parcel”

Mike shared information about his meeting last night with the heirs to the “initial parcel.” The tone was very positive and focused on several possible win-win opportunities. The family is working through probate-related issues and is not at all interested in selling land unless they have to in order to pay estate taxes. They are, however, interested in talking more about conservation easements ... for several reasons: the income could help pay estate taxes, the assistance of co-managers would be helpful, and we share land management goals / interests. They are also interested in some possible land swaps to block up their land.

Mike and the family developed a list of questions we would need to answer in advance of future meetings; he will follow up with Tony and Ray re: these questions.

Conservation Easements

We revisited the discussion about conservation easements and enhancement rights. Several members of the Elk Teamlet expressed an interest in having PSE reconsider it’s aversion to conservation easements, particularly in relation to this specific parcel (the “initial parcel”).

The family will know their tax liability (probably \$400,000 – \$800,000) within the next 45 days. We noted that it would be disappointing in the extreme if portions of this ideal land were sold and developed because we weren’t able to move on a conservation easement quickly enough to meet the landowners’ needs.

Tony will meet with PSE’s legal folks to represent our Teamlet’s interest and get clarity about PSE’s corporate interests and restrictions. Tony shared that land purchases are a capitalized asset similar to the

fish facilities PSE is building and are applied to the settlement agreement. PSE would need to ensure that an easement is financially feasible in the long term. If we as a team want to advocate strongly for an easement, we will need to show that we have thoroughly looked at all our options - particularly all possible purchase options - with a clear notation of alternate properties' habitat value equivalency relative to the "initial parcel."

Alternate Lands

Chris shared information about the herd's use patterns; he will work with Todd to get a disk of ownership maps to Tony. Tony projected a map onto the wall and we showed Ray our priorities in terms of possible alternative parcels for acquisition. Ray will schedule a meeting with the alternate land owners to revisit the conversations that were started last summer and help us evaluate the feasibility of various alternates.

Budget Update

Tony shared that he continues to work with PSE's budget folks on our budget spreadsheet; stay tuned.

RMEF Initiatives

Wayne shared that RMEF has two initiatives. The east slope cascades initiative is the proposed land exchange between DNR and WDFW to minimize the checker-board ownership pattern and maximize elk lands. There is also a Roosevelt Elk Initiative in Western WA and OR focused on creating openings and thinning properties to maximize forage near the forest floor. Secondary focus areas will be to encourage land owners to control invasive weeds and minimize encroaching development. Tony noted that PSE has a foundation that was established for education and wildlife issues which may be a good fit for these.

HANDOUTS

- Agenda for this meeting
- August 10, 2006 Final Teamlet Notes
- RMEF elk initiative materials

AGENDA FOR NEXT ELK TEAMLET MEETING

Date: February 20, 2007; 9:00 – 12:00, location TBD (Mtlk. Terrace?)

1. Welcome, Review Notes, Action Items, Agenda
2. Review Costs Spreadsheet
3. Tony: Report back on easement conversation
4. Land Acquisition Update
 - a. Status of communications w/ "initial parcel" heirs
 - b. Ray: Report out on alternate sites
5. Brock: Report out on status of Elk Plan
6. Evaluate Meeting, Set Date and Agenda for next Meeting