



BAKER RIVER PROJECT LICENSE IMPLEMENTATION

Terrestrial Resources Implementation Group Technical Meeting

November 6th, 2008 (9:00 p.m. – 2:00 p.m.)

**WDFW Mill Creek Office
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Please tell Tony (425-462-3553 (w) or 206-276-1204 (m)) if you plan to call into meeting

AGENDA

1. Review notes/agenda/action items from October 2nd, 2008 meeting.
2. Review recent BRCC meeting activities and New License review/issues.
 - High level overview of License
 - Timing for License Review and response to FERC
 - Next Steps
3. Decisions Required at Today's Meeting: Yes
 1. Decision Item #1: Does the TRIG authorize PSE to pursue the Y Property by preparing acquisition information, such as conducting a Property Appraisal and Timber Cruise, and preparing an assessment of overall cost/value for the property (Decision under LAP process action #4), for elk habitat under Settlement Article 503?
 2. Decision Item #2:
 - Please Designate Proxy to express your view if you cannot attend.
4. Land Acquisition Process
 - Discuss need/timing for next meeting – Tony
5. Elk Update
 - Update on Property X offer – Ira, Ray
 - Alternate properties list/data base / status – Ira, Ray, Tony
 - Next steps
6. Botanical Teamlet update
 - Teamlet update – Anna and Kathy
7. TRMP Update
 - List of plans – Marty and Kathy
 - Next steps?
8. Terrestrial Implementation Schedule

Baker River Project License Implementation**Terrestrial Resource Implementation Group
Final Meeting Notes**

November 6, 2008 ~ 9:00 am - 2:00 pm
WDFW Mill Creek

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

PRESENT

Tony Fuchs, Ira McDaniels, Paul Wetherbee, Anna Kopitov, Mel Walters, Haley Edwards, and Cary Feldmann (PSE); Kathy Smayda (Smayda Environmental); Marty Vaughn (Biota-Pacific); Stan Walsh (SRSC); Todd Wilbur (Swinomish); Bob Kuntz (NPS); Bob Nelson and Ray Croswell (RMEF); David Geroux (WDFW); Patrick Goldsworthy (NCCC); Lou Ellyn Jones (USFWS); Don Gay (USFS); Chris Danilson (Sauk-Suiattle); and Jamie Riche, facilitator (PDSA).

DECISIONS

- Property Y: The TRIG elected to move the decision about whether or not to authorize an assessment and timber cruise on Property Y to the next meeting to allow TRIG members time to view the site.

NEXT TRIG MEETING: December 4, 2008, continue to hold First Thursdays through 2009

NEXT BRCC MEETINGS: Phone call 10 a.m., Nov. 13; next meeting November 19, 2008

NEXT BOTANICAL MEETING: November 17

ACTION ITEMS

- Tony - Once the BRCC has clarified the escalation formula, bring an updated accounting of TRIG funds (in "today's dollars," less any expenditures to date) to the next mtg
- Tony - Property Y site visit w/ Chris D, Chris M, Dave, Lou Ellyn, Bob, and Marty
- Anna - Resend the Habitat Matrix to full TRIG in an email by itself
- Anna - Send *Carex flava* and Plants of Special Status management plans to full TRIG and leads for the signatories to the Settlement Agreement for first review
- Tony - Identify the official rep list for who is to receive the paper copy of the plan drafts for the formal agency review period; bring to the Dec. TRIG mtg for discussion
- Haley - Talk with TNC re: Night Roost Survey plans for this year (season)
- Tony, Ira & Ray - Review alternative properties, bring forward for review, discussion in Dec.

PREVIOUS – STILL RELEVANT – ACTION ITEMS

- Ira/Cary - Meet with Tribes to more clearly understand their interests relative to easements.
- Tony/Paul – Draft a proposal for TRMP language re: financial processes (budget, audit, etc).
- Paul will continue to work on the funding agreement with USFS.
- Anna / Tony will work on a draft for the USFS projects accountability / tracking process.

UPDATE ON PREVIOUS ACTION ITEMS:

Paul shared that PSE tried to use the formula listed in Article 602 to calculate escalation in order to bring an updated accounting of TRIG funds to this meeting. When they put the formula into use, they found that it has a couple problems. There is a typo in it and a government table the formula referenced is no longer published. BRCC will need to review this at their Nov. 19 meeting and decide how to proceed. Tony will report back at our December TRIG meeting.

BRCC / LICENSE UPDATES

The BRCC met Oct. 22 to review the license, which was issued Friday, October 17, 2008 effective October 1, 2008. The license order is final unless appealed (by filing a request for rehearing) within 30 days of the date of issuance. Cary distributed PSE's "Baker License Roadmap," which is a high-level overview document to facilitate our review. Note: The Roadmap document has a typo on page 3. The seventh line reads "Article 410 ..." and it should read "Article **401** ..."

The new license has a 50-year term. PSE is pleased to see that the license is materially consistent with our Settlement Agreement. Cary noted that the Settlement Agreement, 4(e) and 401 conditions, section 18, and IPP are all intact in the license FERC has issued.

Paul shared that Skagit County issued a letter on October 24, two days after the BRCC meeting, indicating their view that the license is inconsistent with the Settlement Agreement because appendix B was not included in the license. PSE's perspective remains that the license is representative of the agreement. The BRCC will check in by phone at 10 am, Thursday, November 13 during the ARG meeting. The Skagit County letter will be discussed at that time. The next in person BRCC meeting is scheduled for Nov. 19, and will be a very full meeting with a lot of procedural work to be done.

ELK PROPERTIES

Property X: Ira shared the property owner's response to our offer; we discussed our thoughts and next steps. Ask Tony for details.

Property Y: Kathy walked us through the findings of the pre-acquisition survey that Kathy, Haley, and Doug Woodworth (Biota-Pacific) conducted Oct. 28. The TRIG discussed this property and its potential for elk forage. Marty estimated that the property's Elk Forage Equivalency Units, with enhancements, could come in at around 302. Tony will coordinate a site visit between now and the next TRIG meeting. Chris D., Bob, Dave, Lou Ellyn, and Marty expressed interest; Tony will also invite Chris M. The TRIG elected to move the decision about whether or not to authorize an assessment and timber cruise on Property Y to the next meeting.

Alternate Properties: Tony and Ray will bring additional properties to review / discuss in Dec.

LAND ACQUISITION PROCESS TEAMLET

Anna has not received any feedback yet on the criteria matrix she drafted to identify habitat types and locations that would be most / least desirable for each resource group's land acquisition planning. Some TRIG members hadn't seen the attachment and others indicated they just haven't had time to review it. Anna will send it out again in an email by itself with a clear subject line.

In related news, Tony noted that Joetta has digitized a very rough boundary of the core area so that it is available for our GIS database.

As we looked at next steps, folks seem generally happy with the high-level process flowchart; there wasn't much energy at this time for delving into a more detailed process model. The group decided to proceed with what we have and address any problems that arise on a case-by-case basis. PSE will proceed to develop any documentation they may need in order to satisfy internal or FERC requirements, and will seek TRIG input where appropriate.

MANAGEMENT PLANS

Tony walked us through the updated table Marty shared last month that shows the status and deadlines for the plans/procedures associated with each license article. He noted that there are three deadlines for each article. The first is the date for substantial completion of the first draft (the date by which the first draft needs to be ready for review in order to meet the final deadline); the second is the date to begin the "formal" 30-day review; and, the third is the date the plan must be submitted to FERC. The final deadline is prescribed by the license, which is based on our Settlement Agreement. Marty pointed out that the first draft of the Article 501 TRMP is also a requirement, in that we need to provide it to the TRIG within 6 months of license issuance for their review.

We noted that many of the articles share the same timeline. PSE will send out first drafts as they are complete (without necessarily waiting for that first deadline) in order to stagger the review periods and avoid overloading the agencies with concurrent review periods for multiple plans.

BOTANICAL TEAMLET

The Botanical Teamlet met 10/22 and is ready to move forward with review of the first drafts of the *Carex flava* and Plants of Special Status plans.

We discussed who should receive the first draft of plans for review. Since the plans are electronic and easy to share, we decided to distribute them widely. Anna will send the plans to everyone who receives TRIG announcements (Tony's list for notes and minutes), and will also send the plans to the leads listed for the signatories to the Settlement Agreement.

In the meantime, Tony will ask signatories to identify who is to receive and sign off on the paper copy of the plan drafts for the formal 30-day review period. This formal review must start Jan. 15 for these botanical plans.

Next steps:

- PSE will develop first drafts for the other plans. Tony invited any TRIG members who want to participate in that process to contact him.
- Tony will report on TRIG funds once the BRCC has approved the escalation formula
- Paul will continue to work on the funding agreement with USFS.
- Anna / Tony will work on a draft for the USFS projects accountability / tracking process.

LOON UPDATE

Anna shared our loon plans with the leaders of the other resource groups. Arnie (Aquatics Resource Group) noted that one of our planned platform sites is close to an area of high fishing / recreational use. Don will review the fishing and nesting schedules, and Anna will bring a recommendation back to our next meeting, along with design update (anchoring, etc).

NIGHT ROOST SURVEYS

The license calls for night roost surveys during two seasons, which overlap three years starting with year one of the license. Due to the timing of license issuance relative to the season, the first surveys would need to start next month. We discussed treating this year as an opportunity to set up survey locations and develop protocols, and then waiting until next year to formally start the surveys. Haley will talk about this with TNC, and PSE will review FERC requirements.

MEETING SCHEDULE AND PARTICIPATION OPTIONS

First Thursdays seem to be working well, no conflicts with other resource groups, so we decided to continue to hold them for TRIG through 2009. We talked about virtual meetings and other ways to reduce the economic and environmental impacts of coming together in person. Members who had participated in the BRICC's experiment with virtual meetings shared that, while the technology is improving, face-to-face is still better for lengthy and/or potentially contentious issues. At this point, virtual meetings are only recommended for short, easy agendas. We also noted that meetings would not need to be as frequent once we move out of planning / development and into implementation / O&M.

HANDOUTS

- Agenda and October 2008 meeting notes
- PSE's "Baker License Roadmap"
- Pre-Acquisition Survey Data, Property Y
- Status of Baker River Project Terrestrial Resource Plans, Nov. 2008

AGENDA FOR NEXT TRIG MEETING

December 4, 2008, 9 am – 2 pm, Mill Creek

1. Welcome, review agenda, notes, and action items
2. BRCC / license updates – Review TRIG budget (Paul)
3. Elk land acquisition update:
 - a. Properties X & Y (Ira & Tony)
 - b. Alternate Properties (Ray & Tony)
4. Decisions
 - a. Property Y



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| <ul style="list-style-type: none">• High level implementation schedule discussion – Tony• Review TRIG Budget – Tony, Paul |
| 8. Loon Update |
| <ul style="list-style-type: none">• Teamlet update - Anna |
| 9. Evaluate meeting, set location (WDFW Mill Creek) and agenda for next meeting (Nov. 4th, 2008) |