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BAKER RIVER PROJECT LICENSE IMPLEMENTATION

**Terrestrial Resources Implementation Group
Technical Meeting (via conference call)**

October 1st, 2009 (9:00 a.m. – 11:00 a.m.)

**WDFW Mill Creek Office
16018 Mill Creek Boulevard
Mill Creek, Washington 98012-1296
Telephone (425) 775-1311**

Conference Call Line: 1-888-228-0484, ID: 2821, Password: 4567

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

AGENDA

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| 1. Review notes/agenda/action items from September 3rd, 2009 meeting. |
| 2. Review recent BRCC meeting activities and License review/issues. <ul style="list-style-type: none">• License/BRCC update• TRIG budget update – Kim and Tony |
| 3. Decisions Required at Today's Meeting: None <ul style="list-style-type: none">1. Decision Item #1:<ul style="list-style-type: none">• Please Designate Proxy to express your view if you cannot attend. |
| 4. Land Acquisition Update <ul style="list-style-type: none">• Property Y Update – Ira, Tony• Alternative Properties – Ira, Tony |
| 5. TRMP plans update <ul style="list-style-type: none">• Updates on plans – Haley, Tony, Kathy, Mel, Marty, and Scott• Wetlands funds dialogue |
| 6. Loon/Osprey Implementation Update <ul style="list-style-type: none">• Progress – Haley and Mel |
| 7. Decisions list <ul style="list-style-type: none">• Review draft language |
| 8. Evaluate meeting, set location (WDFW Mill Creek) and agenda for next meeting (Nov. 5th, 2009) |



Baker River Project License Implementation

**Terrestrial Resource Implementation Group
Final Meeting Notes**

October 1, 2009 ~ 9:00 am - 11:00 am
Conference Call

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

ON THE CALL

Tony Fuchs, Cary Feldmann, Mel Walters, Scott Heller, Haley Edwards, and Ira McDaniels (PSE); Kathy Smayda (Smayda Environmental); Marty Vaughn (Biota-Pacific); Don Gay (USFS); Lou Ellyn Jones (USFWS); Bob Nelson and Bill Richardson (RMEF); Brock Applegate (WDFW); and Jamie Riche, facilitator (PDSA).

DECISIONS None today

NEXT MEETING: Nov. 5 in person or WebX/conference call, and hold 1st Thursdays (workload dependent)

ACTION ITEMS

- Haley Send out the Eagle Night Roost schedule and survey forms
- Scott Send out Botanical Teamlet meeting date when finalized
- All Reminder: Comments on the draft 505 plan are due October 30.

PREVIOUS - STILL RELEVANT - ACTION ITEMS

- Tony Look into setting up your laptop for WebX and work w/ tech re: TRIG FTP site
- Kim Work on simplified budget report sheet, provide to TRIG when available

BRCC / LICENSING UPDATE

BRCC met September 23; the meeting included a review of the Settlement Agreement and license item by item. This license review will likely become an annual activity. Resource groups provided updates, which largely centered on management plans. Pam shared an update on the resort redevelopment activity, and folks were pleased to hear about the TRIG's progress toward land acquisition.

The fourth Wednesday of each month is being reserved for a BRCC conference call as needed (probably only needed quarterly), and face-to-face meetings will occur at least semi-annually.

LOON/OSPREY/BALD EAGLE UPDATES:

Loons: Haley reported that the Lake Shannon platform will need to be re-engineered so that it sits lower in the water.

Osprey: Mel reported that the one nest platform that was damaged last winter has been replaced, bringing us back to having ten artificial nest structures around the lake. Brock and Mel scheduled their field trip for October 6. They will meet at the Sedro-Woolley Forest Service Office at 8 a.m. to carpool up to Lower Baker.

Eagles: Haley reported that PSE will be conducting two night roost surveys per month November 2009 through February 2010, and again November 2010 through February 2011. They are planning to use the WDFW survey form. Haley will send out details via email.

BOTANICAL TEAMLET:

Scott spoke with Laura Martin; they are looking at October 28 for the botanical teamlet to get back together again. Scott will reserve a meeting room at the PSE office in Bellevue and email out details when the date is confirmed. Conference call-in will also be available. The agenda will include preparation for next spring's activity, generating site-specific management plans, and the procedure documents for Plants of Special Status, *Carex flava*, and noxious weeds.

LAND ACQUISITION UPDATE:

Ira met with the sellers of Property Y. They came back with a counter offer within our budget. PSE is now engaged in pre-acquisition due diligence activity, which includes an environmental site assessment and title review. Ira learned that the access road washout has been repaired but the property does not currently have a clear title easement to access the property. It is the seller's responsibility to clear their title, which the neighboring property owner has indicated can take 6-12 months to process. Ira expects this to cost \$10k - \$50k (seller's expense), and he reminded the neighboring property owner that they are a party to our Settlement Agreement in the hope that this will help them move more quickly on the easement. The sellers would like to close on the property by year-end. If the easement can't be fast-tracked, the sellers may want to renegotiate with us. Ira will keep working on this and will give us an update in November.

Kathy reported that the weed management activities on the property would be minimal. She is looking into the status of Sulphur Cinquefoil; the county lists it as a Class B designate, but the state lists an exception for Skagit County. She noted that only one was found and she estimates that management, if needed, would be easy.

ALTERNATE PROPERTIES

Tony sent Brock the info/maps and Ira's description of the property that was discussed in September. Brock and WDFW will meet internally to review this property and Brock will report back.

WHATCOM LAND TRUST

Ira reviewed the proposal, which is focused on Skookum Creek off of the S. Fork near the hatchery and up the creek from there in order to obtain a 1/3 mile riparian habitat protection corridor. The group agreed that - even though this could provide elk with a nice ancillary corridor - it doesn't look like a good match for our elk forage goals *because the lack of opportunities for the management of elk forage*. It might be a better fit for 505 dollars from an activity standpoint, but it isn't in our geographic area *for Article 505*. The Whatcom Land Trust folks indicated a potential second phase south of Skookum Creek that - if it goes forward - might make for a better partnership opportunity. We'll stay tuned.

TRMP UPDATE AND SCHEDULE

Comments on all of the terrestrial plans were due Sept. 14 (except 501, which was due earlier). PSE received a number of reply sheets; the only substantive comments were from Brock and Bob Kuntz. Those have been included in the comment and response sheet at the back. All the plans were e-filed to FERC yesterday.

Tony thanked the group for the countless hours and attention to detail necessary to make this happen. The group extended special thanks to Marty and Kathy for their hard work.

WETLAND FUNDS

The topic of wetland funds was discussed at BRCC; no changes were made. The BRCC agreed that it would be important to know that the funds wouldn't be needed for O&M prior to using O&M money for acquisition. It was suggested that it might be possible to re-route O&M funding under the adaptive management provision of the Settlement Agreement. PSE is reviewing the idea with their legal folks. The risk is that FERC could require O&M expenditures, even after a resource group authorized the use of O&M money for acquisition, thus forcing PSE to pay that money twice.

Don asked about the process for amending the Settlement Agreement since the wetlands in the property currently in negotiations for acquisition do not appear to need management. One signatory could formally present the idea

(to amend the S.A.) to the rest of the signatories. Cary pointed out that - since it will be a couple years before wetland money becomes available - there is time for everyone to consider the pros and cons.

DECISION LIST

Tony edited the decision list down to just those agreements that have not been memorialized elsewhere (in management plans, etc). Please review this updated document and let Tony know if you have any comments, additions, or deletions before our next meeting.

November 5, 2009 Agenda

Note: WebX/conference call if the agenda is light

- Land Acquisition Update
 - Property Y update, celebration?
 - WDFW review of alternate
 - Other properties?
- Review management plans; prepare for 2010 implementation activities
- Decisions list
- Budget Report
- Loon / Osprey Report