



BAKER RIVER PROJECT LICENSE IMPLEMENTATION

Terrestrial Resources Implementation Group Conference Call

August 24th, 2009 (1:00 p.m. – 2:15 p.m.)

Conference Call Line: 1-888-228-0484, ID: 5633, Password: 4567

Please tell Tony (425-462-3553 (w) or 206-276-1204 (m)) if you are having difficulty with the call into meeting

AGENDA

1. Review action items from August 6th, 2009 meeting.

3. Decisions Required at Today's Meeting: Yes

1. Decision Item #1: Should PSE proceed (based on price limits, schedule, and terms of negotiation set forth by the TRIG) to negotiate and make an offer to acquire Property Y as identified by the TRIG to satisfy part of the land acquisition needs for Articles 503, 504, and potentially 502 (with specific contribution amounts from each article as set forth by the TRIG)?
 - Please Designate Proxy to express your view if you cannot attend.

8. Evaluate meeting, set location (WDFW Mill Creek) and agenda for next meeting (Sept. 3rd, 2009)



Baker River Project License Implementation

**Terrestrial Resource Implementation Group
Final Conference Call Notes**

August 24, 2009 ~ 1:00 pm - 2:30 pm

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

PRESENT

Tony Fuchs, Cary Feldmann, Haley Edwards, Scott Heller, Kim Lane, and Ira McDaniels (PSE); Marty Vaughn (Biota-Pacific); Todd Wilbur (Swinomish); Bob Kuntz (NPS); Lou Ellyn Jones (USFWS); Bob Nelson (RMEF); Brock Applegate (WDFW); Chris Danilson (Sauk-Suiattle); and Chris Madsen (NWIFC).

DECISIONS

1. Decision Item #1: Should PSE proceed (based on price limits, schedule, and terms of negotiation set forth by the TRIG) to negotiate and make an offer to acquire Property Y as identified by the TRIG to satisfy part of the land acquisition needs for Articles 503, 504, and potentially 502 (with specific contribution amounts from each article as set forth by the TRIG)?

The TRIG agreed that a quorum was present, and there were no proxies. Decision #1 was approved by consensus of all present with the following conditions:

- The TRIG authorized PSE to proceed to negotiate and make an offer to acquire Property Y for an amount not to exceed \$800,000 with current money from the SA 503 Elk Habitat acquisition funding
- The SA 503 Elk Habitat acquisition funding would be reimbursed with \$280,000 from the SA 504 Wetland Habitat Fund and \$60,000 from the SA 502 Forest Habitat fund (with the condition that PSE establishes a 300-foot buffer around the wetlands) when acquisition funding for SA 502 and SA 504 become available
- Any net revenue from harvest of merchantable timber on Property Y, and any money saved through negotiations for the purchase of Property Y, would go into the SA 503 Elk Habitat acquisition funding
- PSE (Ira McDaniel) would report back at the September 3rd TRIG meeting of the progress that he has made in the negotiations.

CONFERENCE CALL ABOUT PROPERTY Y: Monday, Aug. 24 at 1 pm

NEXT TRIG MEETING: Sept. 3, and hold 1st Thurs for monthly or every other month meetings (workload dependent)

ACTION ITEMS

- Ira: Proceed with negotiation to acquire Property Y along the parameters set out by the TRIG

LAND ACQUISITION

The group reviewed and discussed proposed decision #2 regarding the purchase of Property Y. Tony read off the decision language proposed in the agenda, and we discussed the decision for clarification.

Decision for August 24 conference call: Should PSE proceed (based on price limits, schedule, and terms of negotiation set forth by the TRIG) to negotiate and make an offer to acquire Property Y as identified by the TRIG

to satisfy part of the land acquisition needs for Articles 503, 504, and potentially 502 (with specific contribution amounts from each article as set forth by the TRIG)?

TRIG discussion: Much of the conference call revolved around the amount of funding that members felt comfortable committing to this property. Chris D. asked about the decision from last month that allowed us to “borrow” from other future acquisition funds, and so we re-read the decision. Lou Ellyn said she would be comfortable with committing \$280K from future wetland funds if the wetland on the west side of the property had a 300’ buffer. Chris D. said that they (he and Stan) had talked about \$350K as an amount that would be acceptable to commit from the Elk funding. Brock wanted to know how much the timber value might be in the 300’ buffer, and Marty and Ira came up with an estimate of \$113K current value of merchantable timber. Bob K. said that the \$60K from Forest funding came from an evaluation of species composition (47% alder, 39% BL maple, 5% cottonwood, 4% cedar, 5% other conifer). Bob N. proposed an upper cap of \$900K by adding \$ to the elk commitment. Chris D. said that they looked at the property with a little reluctance, since they value the elk \$ highly and want to get quality property, but at the right price the Property Y would be worth the risk, especially since it fits into the WDFW site constraints for elk habitat. Cary asked what the maximum amount from the elk fund would be before folks hit their “threshold”. Todd said that he did not like the risk (the risk being timber harvest reimbursement to the elk fund), but felt that \$350K was acceptable to commit to the acquisition. Todd also wanted to add that they are in favor of sharing the value of the property acquisition with the wetland and forest articles, both for funding and for management. He suggested we make \$800,000 the maximum price, and that we also start looking at land that is closer to the valley floor.

We decided that it was time to take a vote, and there was consensus on the proposed decision (see Decisions section above for the specific decision conditions).

Next TRIG meeting

September 3, 2009 Agenda:

- Land Acquisition Update,
 - Property Y update
 - "new alternate" property and other options
- TRMP & Other Plans
- Decisions list - review draft language
- Budget Report
- Loon / Osprey Report