



BAKER RIVER PROJECT RELICENSE

Economics/Operations Working Group

July 12, 2000

1:30 p.m. – 4:30 p.m.

US Forest Service/Park Service Office
2105 Highway 20
Sedro Woolley, WA

AGENDA

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| 1. Review/revise agenda |
| 2. Introductions of new members |
| 3. Review/revise/complete mission statement |
| 4. Who else should be in the team to ensure we accomplish our mission? |
| 5. Review/amend/add to meeting norms |
| 6. Review/clarify/add to list of issues and interests (generated at April 26 Public Meeting) |
| 7. Set agenda for next meeting |
| 8. Evaluate Meeting |

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MEETING NOTES

PRESENT

Gary Sprague (WA Dept. of Fish and Wildlife), Stan Walsh (Skagit System Coop), Tom Spicher (Hydro Consultant), Chris Hansen-Murray (USDA Forest Service), Jon Vanderheyden (US Forest Service), Charles Morton (PSE), Tom Sheahan (Skagit County Emergency Services), Joel Molander (PSE), Lyn Wiltse, facilitator (PDSA Consulting)

ACTION ITEMS

- Charles:
- Charles to check with Kevin re: electronic distribution of minutes for team members (especially Gary, Tom Sheahan, Eric Winter (Army Corps of Engineers), Jackie Vanderveen (Skagit County Public Works), and Steve Fransen (NMFS))
 - Email team contact list to all members.
 - Prepare a handout for tour that includes:
 - Relative value of equipment,
 - Present costs of operations,
 - Present values of operations
 - Send members a map showing location of PSE office in Concrete (for tour)
- Kevin:
- Contact BPA/Western Energy re: their participation on this team
- Joel:
- Check with Chris D. re: Economics Working Group on the Web
- Tom Spicher:
- Invite Jim Sinclair to participate on this team.

REPORT ON PREVIOUS ACTION ITEM

- Stan:
- Steve Fransen is interested but due to time constraints will not be joining this team in the near future.

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- Charles:
- Paul Schissler or Rick Rogers (new planner) will be representing town of Concrete at this and other working groups on an ad-hoc basis.
 - Call 360-424-2925 to participate in team meetings (at PSE Office in Mt Vernon) by conference call. This number will ring Barb Gassler. She will relay the message to the team who will then call you from the conference room.

MEETING AGENDA

1. Review/revise minutes and agenda
2. Introduce new members
3. Action items
4. Complete mission statement
5. Who else should be on the team?
6. Review amend social/logistical norms
7. Set date, itinerary for August tour of Baker River Project
8. Review/clarify issues/interests
9. Set agenda for the next meeting
10. Evaluate meeting

INTRODUCTIONS

The team introduced new members and welcomed Tom Sheahan from Skagit County Emergency Services.

TEAM MISSION STATEMENT

After discussing the two drafts of the mission statement, the team came to consensus on the following:

“To ensure that alternative project proposals, operations and emergency plans for the Baker River Project and its components provide for:

1. Public health and safety; and
2. Thorough analysis and evaluation of the economic costs and benefits (including non-market) and economic impacts”

OTHERS WHO SHOULD PARTICIPATE IN THE GROUP

Fred Seavey (USFW), Wayne Wagner, (Corps of Engineers re: flood control), Steve Fransen (National Marine Fisheries Service), City of Concrete, Representative from BPA/Western Energy, Public Works (Skagit and Whatcom Counties), Jim Sinclair (Hydro consultant with diverse background), Lone Star

This list will be continually evaluated at meetings.

MEETING NORMS

The team reviewed and amended the list of logistical and social norms for the team. They will continue to revise this list over time so it suits the needs of the team. The revised set of norms is as follows:

1. Meet at the PSE Office in Mt. Vernon the afternoon of the second Thursday of the month from 1:30 to 4:30 p.m. The next meeting will be held on the third Thursday (Sept. 20) due to a scheduling conflict with several team members.
2. Meetings will start and end on time.

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3. Make appropriate use of technology to maximize participation by team members in remote locations (conference calling, video conferencing, etc.)
 4. No backing up for late comers.
 5. No long speeches. Must receive permission from the team if talk is over 3 minutes
 6. Begin each meeting with review/amendments of minutes.
 7. Do quick evaluation at end of each meeting.
 8. No official quorum.
 9. Average a 10-minute break half way through.
 10. PSE will bring treats (fruit, cookies, bottled water).
 11. May need to “park” ideas and move on.
 12. Humor is appreciated.
 13. Avoid side conversations.
 14. Listen to each other.
 15. Celebrate diverse opinions.
 16. Keep an open mind.
 17. Be honest and kind at the same time.
 18. Seek first to understand, then to be understood.
 19. Have fun.
 20. Don’t interrupt each other.
 21. Celebrate (even small) accomplishments.
 22. Decisions will be made by consensus where possible.
 23. Define acronyms before you use them.
 24. If can’t make a meeting, notify team leader (Kevin) by email or phone a.s.a.p.
 25. Team leader will communicate to the team if there is a change in the meeting agenda, location, etc. due to a sudden change in participants.
 26. Minutes will include mission statement, list of attendees, action items, summary of discussions, and the proposed agenda for the next meeting.
 27. The minutes will be e-mailed to team members within 5 working days. Members will e-mail their comments to Team Leader within 5 working days of receiving them. Team leader will then post them on the web.

PARKING LOT

- PSE should in the near future provide a Hydro-Economics 101 class for this team:
 Include both utility and hydro plant perspectives
- Consider who will be the number cruncher for this team:
 PSE? Other?
- Gantt chart with due dates, etc.
- Presentations:
 Wild and scenic river 101
 Flood Plain Values 101

PLANT TOUR FOR ECONOMICS WORKING GROUP

The team decided to do their tour on August 9, 2000. They will meet at the PSE office in Concrete at 8:00. They will finish around 6:00 p.m.

- Fisheries operations

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- LB and UB
 - Adult fish trap
 - Beaches: old (1-3) and new (4),
 - Trout pond at Sulphur Creek
 - LB Powerhouse and dam:
 - 2ND Unit is being considered
 - Net pens
 - UB powerhouse and dam
 - Flood control
 - West Pass Dike
 - Depression Lake Pump Station
 - Recreation Facilities
 - PSE
 - Forest Service
 - Skagit Wild and Scenic River.

It was suggested that PSE provide a ballpark figures of the economic piece:

- relative values of equipment (cost of replacement)
- present cost of operations
- present values of operations (stability of systems, etc.)

ISSUES AND INTERESTS

The team brainstormed issues (items for discussion) and interests (needs, fears, or concerns) for the Operations & Economics Working Group as follows:

Issues:

- Downstream passage
- Stability/safety of West Pass
- Volcanic eruption of Mt. Baker (overtopping)
- Gate failure
- Resource protection
- Notifying people in event of emergency
- Project viability
- Economic efficiency: Can revenues generated offset costs? (market and non-market?)
- Financial
- Economics of operations of the project & how we compare those to the non-commodity tradeoffs (e.g., aesthetics, preservation of historic buildings)
- How resources management interacts with PSE operations

Interests:

- To protect, preserve,, and perpetuate fish and wildlife and their habitats (legislative mandate)
- To have 95-100% successful passage of fish with mitigation for anything less than 100%
- Maintaining public safety
- Fear: income might be less than cost of operations and mitigation

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- Fear: We won't be able to afford all mitigation
 - 4(e) conditions and ability to fund
 - Section 18, etc.
 - Commercial fear:
 - Road access for removal /management of resources
 - Having to modify management practices to meet aesthetic regulations

EVALUATION OF THIS MEETING:

Well-Dones:

- Moved through agenda
- Lyn is a hard taskmaster
- On time
- Fruit, drinks

Need to Improve:

- Don't worry so much at first to define issues/interests
- Lyn is a hard task master
- Need: Cookies
- Beware of not getting lost in detail

TENTATIVE AGENDA FOR NEXT MEETING

Sept. 20, 2000 at PSE Office in Mt. Vernon

***Note: Due to conflicts, this meeting will be on the *third* Wednesday.**

1. Review/revise minutes and agenda
2. Action items
3. Tour debrief
4. Continue fleshing out interests and issues
5. Possible presentation by Ed Schild, Director of PSE Energy Production and Storage
6. Set agenda for next meeting
7. Evaluate meeting