
BAKER RIVER PROJECT RELICENSE

Economics/Operations Working Group

January 27, 2004

1:30 PM – 3:00 PM

USFS Office

Mountlake Terrace, WA

DRAFT MEETING NOTES

The Economics Working Group Mission Statement:

“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.)”

Team Leader: Lloyd Pernela (PSE), 425-462-3507; lloyd.pernela@pse.com

Note: Please let the team leader know if you are unable to attend a meeting. If something comes up at the last minute, please call Lyn prior to the meeting. Lyn's cell phone is 425-890-3613.

PRESENT

Cary Feldmann, Bob Barnes, Paul Wetherbee, Kris Olin, Connie Freeland (PSE), Chuck Howard (Independent Consultant), Laura Johnson (guest artist observer), Steve Fransen (NMFS), Ruth Mathews (TNC), Bob Helton (interested citizen), Jerry Louthain (EES for City of Anacortes, Skagit County PUD, and Town of Concrete), Jeff McGowan, Mike Stansbury, Dave Brookings and Lorna Ellestad (Skagit County Public Works), Jay Smith and Bill Fullerton (Tetra Tech), Stan Walsh (Skagit River Systems Cooperative), Jack Oelfke (National Parks), Arn Thoreen (Skagit Fisheries Enhancement Group), Rod Mace and Jon Vanderheyden (USFS), Rob Mohn (Louis Berger Group), Gary Sprague (WDFW), Mark Killgore (Louis Berger Group), Harry Hosey and Jennifer Jiu (PIE), Linda Smith, Ted Perkins, and Ken Brettmann (USACE), Dee Endelmann (Agreement Dynamics), facilitator, Mary Jean Bullock, note-taker, and Lyn Wiltse, facilitator (PDSA Consulting Inc.)

DATES OF 2004 MEETINGS

Feb. 11, Mar. 10, Apr. 14



AGENDA

January 27 at USFS Office in Mountlake Terrace

1:30 to 3:00 p.m.

- 1:30 - 1:35 Introductions
- 1:35 – 1:40 Review/revise October 8 minutes and agenda
- 1:40 – 2:00 Review Action Items
 - Questions/feedback re: PDEA and Draft License Application
 - PME Matrix Review
- 2:00 – 2:10 HYDROPS and TST update (including status of R2 Habitat Models)
- 2:10 – 2:25 High Level Update on Flood Control Feasibility Study by WA Group and Tetra Tech
- 2:25 – 2:30 Review Other Study Requests:
 - R-01 –Low Flow Augmentation from Baker Project – Deferred for now
- 2:30 – 2:40 Set February 11, 2004 agenda (at PSE Office in Mt. Vernon)
- 2:40 – 2:45 Determine next steps (What can we accomplish by Feb 27 Solution Team Meeting?)
- 2:40 – 2:45 Evaluate Meeting
 - What's Hot?
 - Studies Report for Baker Solution Team

NEW ACTION ITEMS

- All: Review PSE draft PME and be prepared to discuss at Feb.11 meeting. Send any comments to Lloyd for distribution prior to the meeting.
- Jerry: Be prepared to give update on low flow augmentation study request at our Feb. 11 meeting.
- Paul: Post Tetra Tech presentation on website.
- Dave: Send Pie Presentation to Lloyd to distribute.
- Linda: Check with USACE District Office re: hydro power information status.

INTRODUCTIONS

We welcomed many first-time visitors to this Working Group meeting (see list above).

REPORT ON OLD ACTION ITEMS

- ALL: Reviewed mission of this group as described in these notes and be ready to discuss at next meeting. Then draft Econ/Ops schedule for completion of critical path.
- ALL: Reviewed Mark's presentation and send any questions to Lloyd so Mark can be prepared to address them at our next meeting.
- ALL: By November 12th reviewed Chapter 6 of PDEA for PMEs and License Application for completeness and reviewed other sections of the PDEA of particular concern to your entity and provide analysis and comments.
- Lyn: Asked Team leaders to flag potential "big Ticket" PME measures for this group and also to note those that impact Project operations.
- Lloyd: Worked up status of PMEs listed in matrix from econ/ops perspectives and be ready to report at our next meeting. Dave is available to help.

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- Lloyd: Developed high level scope/schedules for potential environmental assessment of flood management change impacts.

PME MATRIX REVIEW

Low Flow Augmentation

Jerry reported low flow is not PME as such. The Washington Department of Ecology and others will be looking to see if the low flow idea is possible, given instream flows (yet to be agreed to). We'll see if a request for a low flow augmentation study fits into our timeframe, once in stream flows are agreed to.

Flood Control

Kris walked us through the PME drafted by PSE and distributed January 26. This PME reflects the current flood control agreement with the addition of what would happen if we were asked to change it. Any modifications in the future would follow the standard FERC re-opener process. We decided to discuss the PME at our February 11th meeting to develop a strategy/action plan to complete our discussions of this by the Solution Team meeting on February 24, 2004.

USACE PROJECT MANAGEMENT PLAN UPDATE

Linda Smith of the USACE noted that they're partnering with Skagit County on a PMP to analyze the economic feasibility of increased flood storage. The PMP runs through December, 2004.

UPDATE ON ADDITIONAL FLOOD CONTROL STUDY TEAMLET BY TETRA TECH

Jay Smith of Tetra Tech gave a progress report the Teamlet study. Hydrologic and hydraulic analysis has been completed for Phases I and III. Phase II deals with the PMF and Phase IV evaluates flood control options at Upper and Lower Baker in various combinations. The Corps Skagit River flood damage assessment economic model has been extended to the Baker River confluence. Tetra Tech's cost/benefit analyses are awaiting receipt of power loss calculations from the Corps.

At the request of Skagit County, the Corps is reviewing the Baker basin inflow hydrology used in the study. During the meeting, Linda Smith checked with the Corps District Office and found that it will take them a couple of weeks to get the data to PSE once they receive direction on the Baker river inflow hydrology. It is not clear when they will receive it. One Tetra Tech gets the data, they estimate it will take them approximately a month to complete the cost side of the study (Cost/Benefit Analysis).

PIE PRESENTATION

Harry reviewed the infrastructure at risk in the Skagit River Flood Plain. He then walked us through a visual model that showed changes in flood control benefits as one keeps various amounts of storage at Baker Lake and Lake Shannon, including the effects of adding a spillway at Shannon.

At the conclusion of the presentations, Chuck Howard summarized the major findings as follows:

1. The additional flood control storage is less effective in reducing stage as you go further downstream from the Skagit River at Concrete.
2. The additional flood control storage has negligible value for events more severe than 1:100 year return periods.



3. The existing system has been able to cope with 1:10 to 1:25 year events.

NEXT STEPS

At our February 11 meeting, Skagit County shall bring a schedule showing the timeframe to get this project done. We'll also review the PSE flood PME and Skagit County's proposed license application language at that meeting.

HANDOUTS

- PME Status as of January 26, 2004
- PSE Draft Flood Control PME
- Presentation of Preliminary Draft Results of Baker Project Flood Control Feasibility Study
Presentation by Tetra Tech, Inc.
- Skagit County Public Works Department, January 27, 2004 – Letter to Lloyd Pernela PSE Re: Request of Skagit County Regarding Flood Coordination with Aquatics Work Group, Baker River Project (P-2150) with attachments.

EVALUATION OF THE MEETING

Well Done

- Had information and shared it
- Huge participation
- Quick evaluation at end
- We met! (first meeting since October)

Change for Next Time

- Need Hotel!

TENTATIVE AGENDA FOR NEXT MEETING

February 11, 2003 at PSE Office, Mt. Vernon, WA

- 9:00 - 9:05 Introductions
- 9:05 – 9:10 Review/revise minutes and agenda
- 9:10 – 9:30 Review Action Items
- PME Matrix Review
 - Schedule: Is it possible to fit flood control study into our schedule?
 - Low flow augmentation study request status
- 9:30 – 10:50 Flood Control PME
- Review PME proposed by PSE
 - Review draft application language proposed by Skagit County.
- 10:50 – 11:30 Update on Flood Control Feasibility Study by Tetra Tech
- 11:30 – 11:40 Set March 10, 2004 agenda (at PSE Office in Mt. Vernon)
- 11:40 – 11:50 Evaluate Meeting