BAKER RIVER PROJECT RELICENSE

Solution Team

October 30, 2002

9:00 a.m. – 3:00 p.m.

US Forest Service Office
21905 64th Avenue West
Mountlake Terrace, WA 98043

AGENDA

1. Introductions – The Louis-Berger Group, FERC
2. Settlement Process Update: Review Draft Options for PMEs by Working Groups
3. Settlement Process:
   - Dealing with Uncertainty: Adaptive Management
   - Framework for Settlement Agreement
   - PME Format/Instructions
4. Action Items
5. Process for 6-Month Progress Report to FERC
6. Debrief from Oct. 29 Meeting: 4e, Sec. 18, ESA
7. Preview of Oct. 31 Meeting: 401, CZMA
8. What's Hot in Working Groups?
9. Schedules/Studies Indices/Timelines
10. PDEA Update
11. HYDROPs Model Update
12. Other?
13. Set November 26th Agenda
14. Evaluate meeting

BAKER RIVER PROJECT RELICENSE

Solution Team
October 30, 2002

9:00 a.m. – 3:00 p.m.

U.S. Forest Service Building
Mountlake Terrace, WA

Mission: By April 30, 2004, the Baker Solution Team will draft a settlement agreement for relicensing of the Baker River Project that best meets the interests of the signatories.

FINAL MEETING NOTES

Note: Call Connie at 425-462-3556 if unable to attend the meeting so she can plan for lunches. Call Lyn's cell phone 425-890-3613 if something comes up at the last minute (on the way to the meeting).

Team Leader: Connie Freeland (Puget Sound Energy) 425-462-3556, connie.freeland@pse.com

Members Present: Steve Hocking and Mike Henry (FERC), Arn Thoreen (Skagit Fisheries Enhancement Group), Gary Sprague (WA Dept. Fish & Wildlife), Rob Mohn, Pam Klatt and Pat Weslowski (the Louis Berger Group), Jerry Louthain (Economic and Engineering Services, for Anacortes, Skagit P.U.D. and Town of Concrete), Steve Fransen (NMFS), Gene Stagner (USFWS), Marian Valentine (U.S. Army Corps of Engineers), Bill Reinard (Wildcat Steelhead Club), Bob Helton (Citizen), Bob Nelson (Rocky Mt. Elk Foundation), Stan Walsh (Skagit System Cooperative), Rod Sakrison (WA DOE), Jon Vanderheyden and Rod Mace (U.S. Forest Service), Tony Fuchs, Arnie Aspelund, Ed Schild, Cary Feldmann, Bob Barnes, Kris Olin and Connie Freeland (PSE), Patrick Goldsworthy (North Cascades Conservation Council), Len Barson (The Nature Conservancy), Steve Jennison and Omroa Bhagwandin (WA Dept. of Natural Resources), Dee Endelman and Bruce Freet (Agreement Dynamics), Lyn Wiltse, Facilitator and Mary Jean Bullock, Note-Taker (PDSA Consulting, Inc.).

FUTURE MEETING DATES
November 26, December 17, at USFS Office in Mountlake Terrace.
Note: Starting in 2003, the Solution Team will be meeting on the fourth Tuesday of each month.

Exception: The January meeting date will be the 3rd Tuesday: January 21, 2003.

2003 Solution Team Meeting Schedule

January 21, February 25, March 25, April 22, May 27, June 24, July 22, August 26, September 23, October 28, November 25, December 23.

AGENDA

October 30, 2002 at USFS Office Building in Mountlake Terrace

9:00 a.m. – 3:00 p.m.

1. Introductions – The Louis-Berger Group, FERC
2. Settlement Process Update: Review Draft Options for PMEs by Working Groups
3. Settlement Process:
   - PME Format/Instructions
   - Framework for Settlement Agreement
   - Dealing with Uncertainty: Adaptive Management
4. Action Items
5. Flow Management and ESA Update
6. Process for 6-Month Progress Report to FERC
7. Debrief from Oct. 29 Meeting: 4e, Sec. 18, ESA
8. Preview of Oct. 31 Meeting: 401, CZMA
9. What's Hot in Working Groups?
10. Schedules/Studies Indices/Timelines
11. PDEA Update
12. HYDROPs Model Update
13. Other?
14. Set November 26th Agenda, Confirm December, January dates
15. Evaluate meeting

NEW ACTION ITEMS

- ALL: Consider the option of PSE having the Louis Berger Group prepare the license application in addition to the PDEA. (We will make a decision on this at our November 26 meeting.)
- ALL: Give Bruce comments on "A Framework for Agreement" (bjfreet@fidalgo.net or 360-319-5582) by Nov. 15.
- ALL: Consider how to approach adaptive management (e.g., teamlet to choose model?). We will discuss how to proceed at our next meeting.
- All Working Groups: List any conditions related to PMEs that would vary depending on the term of the license.
- Economics/Operations Working Group: Determine possible terms of license to use for economic analysis.
- Bruce/Dee: Talk with all Working Groups to identify additional technical support for developing PMEs. See that Marty's drafts get shared across the Working Groups (after receive permission to do so from the Terrestrial Working Group.)
- Connie: Send out electronic copies of Bruce's PowerPoint Presentation re: Adaptive Management.
- Bob B.: Post user manual for the HYDROPs model on website and provide hard copies to participants on request.

- Connie: Email information to all re: November 21 or November 22 meeting with Rick Miles/FERC for the U.S. Institute for Environment Conflict Resolution re: our participating in a study of ALP relicensing processes.

INTRODUCTIONS
We welcomed Rob Mohn, Pam Klatt, Pat Weslowski (for the Louis Berger Group), and Steve Hocking and Mike Henry (Federal Energy Regulatory Commission).

We also welcomed the PSE Working Group Team Leaders: Arnie Aspelund (Aquatics), and Tony Fuchs (Terrestrial); and Omroa Bhagwandin from the Olympia office of the Department of Natural Resources.

SETTLEMENT PROCESS UPDATE
Dee distributed summaries and walked us through the draft options for PMEs put together by three of the Working Groups (Terrestrial, Aquatics, and Recreation). She and Bruce will begin working with the Economics/Operations Working Group and the Cultural/Historical Working Group next month. These summaries will be attached to these minutes.

Terrestrial Working Group:
This Working Group discussed 85 ideas to address the following issues:
- Effects of reservoir on wildlife & plants
- Overall size of wildlife populations; Game Habitat; Wildlife species of special status; Undesirable wildlife
- Wetlands
- Forest Habitat: Hardwood Riparian and Late-Seral Coniferous
- Connectivity
- Snag and log habitat
- Vegetation: Plant species of special status and Noxious weeds
- Land Management Activities
- Impact of Recreation
- Flow Manipulation Impacts on Wildlife and Habitat

Aquatics Working Group:
This Working Group discussed 190 ideas to address the following issues:
- Instream Flow Management
- Reservoir Operations and Fluctuations
- Anadromous Fish Passage
- Hatcheries
- Spawning and Rearing Habitat Restoration
- Water Quality, Reservoir and Stream
- Invasive/Alien Species

Recreation Working Group:
This Working Group discussed 69 ideas to address the following issues:

- Meeting Recreational Needs: Addressing Current Recreational Needs and Project Effects on Recreational Facilities and Opportunities
- Protecting Public Health and Safety in Recreational Areas
- Emergent Recreational Needs
- Addressing Visual and Aesthetic Impacts
- Addressing Inconsistencies between Project and Adopted Comprehensive Plans

SETTLEMENT PROCESS

Bruce distributed a template he put together for Working Group members to use to frame PMEs for potential inclusion in a Settlement Agreement. We discussed this template and the instructions for participants to fill it out. He also distributed a possible outline for the settlement agreement called "A Framework for Agreement." He'd like comments on the outline by Nov. 15.

Bruce walked us through a PowerPoint presentation of "Dealing with Uncertainties." It included a draft schedule of PME Products and Timeframes:

Dec. '02	1st draft PMEs	Oct. '03	2nd Draft PDEA
Feb. '03	2nd Draft PMEs	Oct. '03	FERC Pre-Terms, Conditions
Mar. '03	PMEs for PDEA		& Recommendations
Mar '03	PMEs for Agreement in Principle	Mar. '04	Some Management Plans
May '03	1st Draft PDEA		
Aug. '03	3rd Draft PMEs/Management Plans		

Bruce encouraged us to consider how to define an approach we want to take with regard to Adaptive Management. We will discuss this at our November 26 meeting.

PDEA UPDATE

Rob Mohn (the Louis Berger Group) outlined the following schedule of deliverables re: the PDEA:

- Now – The Louis Berger Group resource leads are attending resource Working Groups and compiling and organizing the information being gathered through studies, etc.
- November 2002 – Produce assessment report on adequacy of existing information for use in preparation of PDEA
- December 2002 – Produce detailed outline of PDEA (FERC format)
- Spring 2003 – Produce Preliminary PDEA (for internal/Baker Solution Team review)
    - Describe current environment
    - Describe "no action alternative" (continuation of current operations)
- Fall 2003 – Produce Draft PDEA (for public review)
    - Accompanied by draft license application (FERC notice triggers a 90-day review period)
- Spring 2004 – Produce final PDEA (to be submitted to FERC with the final License Application and Settlement Agreement)

Kris asked that all consider if it would be an acceptable option for PSE to also consider using the Louis Berger Group to write the actual license application. Steve H. said that FERC would not consider this to be a conflict of interest. We will make a decision on this at our November meeting.

REPORT ON OLD ACTION ITEMS

- Dee: Sent out settlement process materials to members electronically.
- Bruce: Drafted mechanism for Working Groups to use to get over the uncertainty hump with regards to some PMEs.
- Rod: Compiled list of requirements for CZMA consistency determination and 401 Water Quality Certification and Shoreline Management Act permits.
- Connie: Contacted NOAA, USFS, USFWS, Dept. of Ecology, OAHP re: submitting schedule for meeting deliverables for relicensing process.
- Kris: Contacted Rick Miles/FERC re: being one of ten ALPs to be examined by the U.S. Institute for Environmental Conflict Resolution. Connie will send out the date and location of a meeting with these folks when they are in the Seattle area. Anyone interested in joining in on this meeting to help determine if it makes sense for us to be included in this study should let Connie know.
- Mike/Keith (FERC): By October 15, sent to Connie examples of adaptive management and settlement agreements from other proceedings.
- Connie: Forwarded materials from Mike and Keith to Solution Team members for review.
- Lyn: Buttoned up with Gene and Steve re: change of future meeting days. It looks like we will be changing from Wednesdays to Tuesdays.
- Lyn: Talked to team leaders about putting attachments (like study list) on website.
- Connie: Emailed updated Study Index matrices and posted on web.
- All: Reviewed info on Solution Team membership list and sent changes to Connie.

IPP/FLOWS REPORT: ESA UPDATE

Cary reported that flows in the Northwest continue to be very low. PSE initiated flow management in August for chinook protection according to the Draft Interim Protection Plan. The plan calls for release of flows from a budget of water stored for supplementation. This part of the Plan has been in effect since the first part of October and continues today. PSE is releasing water in pulses to keep redds wet until rainfall returns to the region and Skagit River flows increase.

PROCESS FOR 6-MONTH PROGRESS REPORT TO FERC

The first report will be due January 19, 2003 (six months after we were granted permission to use the Alternative Licensing Process.) Steve Hocking advised us to keep the report simple and high level. We can reference documents posted on the website. The report should include the schedule and an update for each Working Group, including the Solution Team. Connie will share a draft of the first report with interested persons at our December 17 meeting.

DEBRIEF FROM OCTOBER 29 MEETING: 4(E), SEC. 18, ESA

Steve Hocking from FERC stated that the purpose of this meeting was to clarify schedule, critical pathways and authorities relating to 4(e), Section 18, and ESA. Also at the meeting, Marian Valentine gave a presentation of the Army Corps of Engineers' flood control program for Upper Baker. That presentation is available on the website.

PREVIEW OF OCTOBER 31 MEETING : 401, CZMA
The purpose of this meeting will be to do the same as described for the meeting above for 401 Water Quality Certification and CZMA consistency determination. This meeting will be held at the Department of Ecology in Bellevue from 9 a.m. to 3 p.m.

WHAT'S HOT IN THE WORKING GROUPS?
AQUATICS
- Flood planning leading to drought planning
- "Without Project" approach

CULTURAL
- Is Working Group format working for this group?
- Getting back to archaeological work

RECREATION
- PMEs (schedule)
- Off road vehicles

TERRESTRIAL
- PME timeline
- Getting studies done on time
- We are!

ECONOMICS
- Flood control

SCHEDULES/STUDIES INDICES/TIMELINES
Connie distributed current versions of these. As these are now available on the website, PSE will bring only a limited number of hard copies to meetings and will provide a high-level index and schedule report at each meeting. Steve H. reminded us that we are on a critical path and that we need to make decisions rather than continuing to keep all options open.

HYDROPS MODEL UPDATE
Bob Barnes made a brief presentation of the HYDROPS model, including an explanation on how HYDROPS was used to determine the high, medium and low water years to be used for running scenarios for the Working Groups. He reminded everyone that the request forms to run various scenarios on this model are on the website.

DISCUSS/REVISE MEETING SCHEDULE
We moved our meetings from the fourth Wednesday to the fourth Tuesday of the month for 2003. The exception will be in January 2003, when we will meet on the third Tuesday (January 21).

PARKING LOT

- Members need to describe their roles in terms of decision-making authority in their organizations (this relates to who would be members of the Policy Solution Team).
- Define a process for delayed resolution (based on incomplete studies).
- Adaptive management:
  - How can we take into account future technology, knowledge, conditions, resources, weather (global warming), etc.?
  - How can we balance licensee exposure?
- How to enlist recreational users.
- Define "project induced." (Teamlet?)
- FERC boundary.
- Develop public information protocol.
- Summary of Record of Decisions.

HANDOUTS

- Presentation to Baker Solution Team -- Resources Working Groups: Preliminary PME Discussions, October 30, 2002
- Summaries of the Preliminary PME Options for the Terrestrial, Aquatics and Recreation Working Groups
- PowerPoint Presentation: Dealing with Uncertainties, Baker Solution Team, September 25, 2002
- Template to be used by participants to submit possible PMEs
- Instructions for how to fill out the PME template
- A Framework for Agreement (Draft Product of Bruce Freet)
- Flow Chart for Integrating Federal and State Processes (for Oct. 31 meeting; draft product of Rod Sakrison)
- Baker Study Request Index and Study Index updates
- Baker Relicense Schedule for Puget Sound Energy

TENTATIVE AGENDA FOR NEXT MEETING:
November 26, 2002 at USFS Office Building in Mountlake Terrace
9:00 a.m. – 3:00 p.m.

1. Introductions
2. Settlement Process Update
   - PMEs for each Working Group
   - How to handle approach to Adaptive Management
3. PDEA Update
4. Action Items
5. What's Hot in Working Groups?
6. Prep for FERC Conference call
7. FERC Conference Call
8. Schedules/Studies Indices/Timelines
9. HYDROPs Model Update
10. Other?

11. Set December 17th Agenda
12. Evaluate meeting

MEETING EVALUATION

Done Well

- Good food
- Got out early
- Great participation – Let's keep it up!
- Ed and Steve's "chat"
- Happy to have FERC representatives here in person – Thanks Steve and Mike!
- First cut at PMEs!

Need to Improve

- Don't want to lose momentum by backing up for latecomers/newcomers
- Use screen for presentation

Dealing with Uncertainties

Baker Solution Team, September 25, 2002:

How can we take into account future technology, knowledge, conditions, resources, weather, etc.?

How can we balance license exposure?

Adaptive Management

"A method for examining alternative strategies for meeting measurable biological goals and objectives, and then, if necessary, adjusting future conservation management actions according to what is learned."

Federal Register, Volume 65, June 1, 2002: USFWS & NMFS final addendum to the Handbook for Habitat Conservation Planning and Incidental Take Permitting Process.

USFWS & NMFS Policies

- **"No Surprises" in the implementation of Habitat Conservation Plans (HCPs)**
- **"…identify uncertainty and …build contingency measures for changing circumstances" in HCPs**

USFWS & NMFS 5-Point Adaptive Mgmt. Policy

- **Measurable biological goals & objectives;**
- **An Adaptive Management strategy;**
- **A monitoring program;**
- **Determination of duration; and**
- **Scope of public involvement.**

An Adaptive Mgmt. Strategy should:

- **Identify the uncertainty & the questions that need to be answered to resolve it;**
- **Develop alternative strategies to implement;**
- **Integrate a monitoring program to detect the necessary information to evaluate the strategy(s); and**
- **Use feedback loops that link implementation & monitoring to a decision-making process.**

Components of Adaptive Management

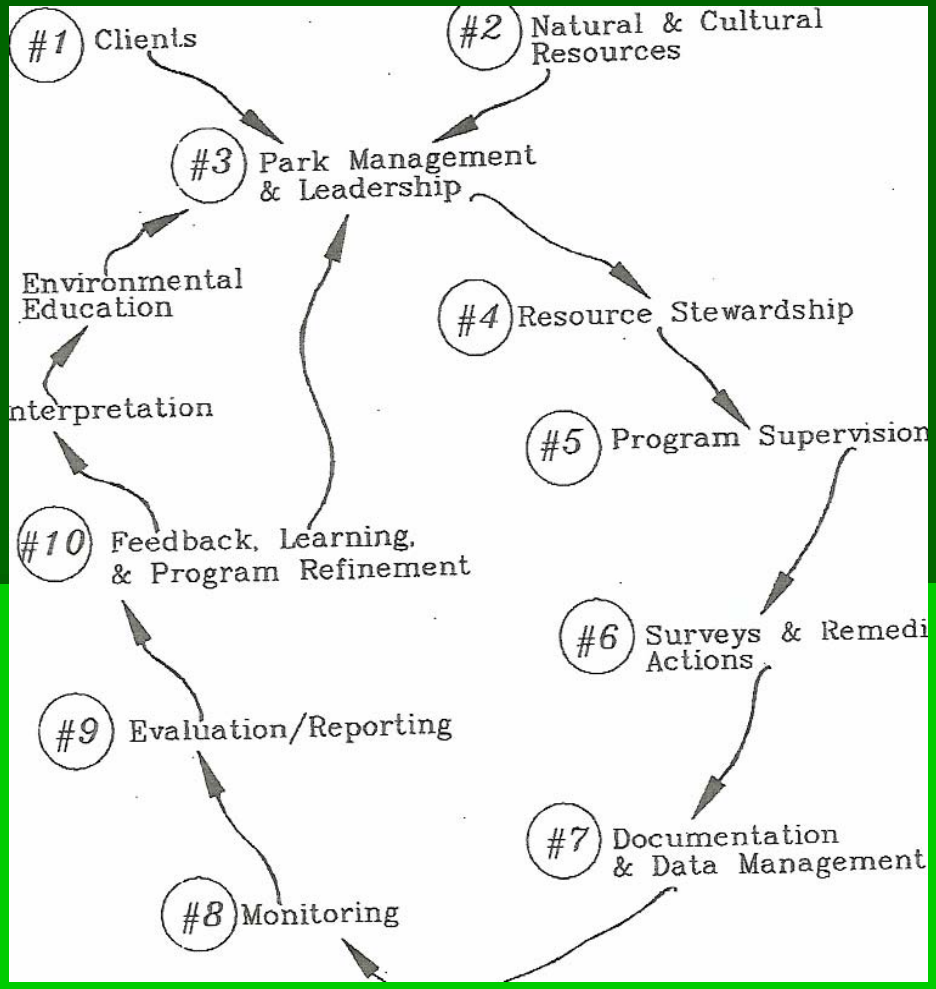
- Planning through identification of uncertainty;
- Using a range of alternatives;
- Implementing a monitoring program to determine success of alternatives; and
- Having a feedback loop that allows for change in management strategies.

A Monitoring Report should provide:

- Biological goals & objectives;
- Monitoring objectives;
- Effects on the species or habitat;
- Location of sampling sites;
- Methods of data collection & variables measured;
- Frequency, timing, and duration of sampling;
- Description of data analysis & who did it; and
- Evaluation of progress toward achieving measurable goals and objectives.

Adaptive Mgmt. Model

Sequioa-Kings Canyon National Parks Hazard Tree Program Review, 1997



Comparing Elements of Adaptive Mgmt.

Elements of Adaptive Management	Skagit River Hydroelectric Project #553	Lewis River Hydroelectric Project #	Lake Chelan Hydroelectric Project #637	North Umpqua Hydroelectric Project #1927	Cowlitz River Hydroelectric Project #2016
Clients	All parties entered into Agreement		*All parties are proposed to enter into Agreement*	NGOs not parties to the Agreement	
Natural Resources	Implementation according to management plans		*Implementation according to management plans*	Implementation according to management plans	
Cultural Resources	Implementation according to management plans		*Implementation according to management plans*	Implementation according to management plans	
Management & Leadership	Informal		*Decision-Making Process*	Decision-Making Process; License Amendment Clause; Dispute Resolution	
Res. Stewardship	Informal		*Ability to change Mgmt. Actions*	Early Implementation Clause; Ability to change Terms & Conditions	
Project Supervision	Dependent on Implementing Agency		*Hire a Implementation Coordinator*	Hire an Environmental Coordinator & form Resource Coordination Committee	
Mgmt. Actions	Consistent with EA, Mgmt. Goals & Plans		*Consistent with Mgmt. Goals & Plans*	Consistent with EA, Mgmt. Goals & Plans	

Comparing Uses of Adaptive Mgmt.

Provisions for Adaptive Management	Skagit River Hydroelectric Project #553	Lewis River Hydroelectric Project #	Lake Chelan Hydroelectric Project #637	North Umpqua Hydroelectric Project #1927	Cowlitz River Hydroelectric Project #2016
Technical Committees	Flow, Non-Flow, & Wildlife Research		Natural Resources (primarily fisheries), Cultural Resources, & Recreation	Working Groups become Technical Advisory Committees	Fisheries,
Adaptive Mgmt. Team	None		*Proposed: Develop a Charter*	Adaptive Mgmt. Plan (specifics unknown)	Decision by Fisheries Tech. Committee
Review or Advisory Committees	None		*Proposed*	Tech. Adv. Committees review the Licensee's & their own work	
Measurable Objectives				Specifics lacking in SA (Need to review mgmt. plans)	Fish passage & hatchery production is tied to specific measures toward salmon recovery (natural production)
Contingency Funds	Yes, from unspent project funds w/i subject area		*Proposed : Savings from project implement w/i resource area*	None	

Adaptive Management

Requested BST Actions:

- **Discuss Today's Progress Report**
- **Provide Direction on How to Proceed**

PME Products & Timeframes:

- 1st Draft PMEs…… Dec 02
- 2nd Draft PMEs…….. Feb 03
- PMEs for PDEA……. Mar 03
- PMEs for AIP…… Mar 03
- 1st Draft PDEA …….. May 03
- 3rd Draft PMEs / “Mgmt. Plans”…… Aug 03
- 2nd Draft PDEA……. Oct 03
- FERC Pre-T, C, & Rs Oct 03
- Some Mgmt. Plans…… Mar 04

Format for PMEs

Key Information for 1st DRAFTs

- Protection, Mitigation, and Enhancement Measures
- Date:
- Reference No.:
- Project Title:
- Working Group:
- Lead Person:
- Interest:
- Issue:
- Description of the Proposed Action(s):
  - Present Condition
  - Desired Future Condition
  - Actions Considered, But Not Moved Forward:
- Justification of the Proposed Action(s):
- Remaining Information Needs:
- Conflicting Interests or Unresolved Issues:

Common PME Measures

With Baker River Hydroelectric Project

- Aquatic Resource Examples:
  - Reservoir Water Levels/Fluctuations
  - Instream Flows
  - Water Quality (Reservoir & River)
  - Ramping Rates
  - Sedimentation
  - Large Woody Debris
  - Fisheries Management Plan

Requested BST Actions for PMEs:

- Share information with your agency, tribe, or organization and gain support for increased participation

- Assure that studies are completed in a timely manner to coincide with PMEs/Mgmt. Plans, PDEA, and Terms & Conditions needs

A Framework for Agreement:

- **Preamble: Offer of Settlement**
- **Explanatory Statements**
- **Purpose and Need for Agreement**
- **Term of Agreement**
- **Settlement Articles**
- **General Provisions Guiding Implementation**
- **Implementation of Agreement**
- **Adaptive Management**
- Etc.

Comparing Settlement Agreement Issues & Solutions

Project Issues	Baker River Hydroelectric Project #2150	Skagit River Hydroelectric Project #553	Lake Chelan Hydroelectric Project #637	Lewis River Hydroelectric Project #	North Umpqua Hydroelectric Project #1927	Cowlitz River Hydroelectric Project #2016
Aquatic Resources						
Shoreline erosion control	X		X		#14, Erosion & Sediment Control + Monitoring	
Instream Flows	Upper & Middle Baker + Skagit		Chelan River Bypass Reach / Columbia R.		#5 + Monitoring	SA#13, Instream Flows; SA#16, I.F. implementation
Ramping Rates	X				#6 + Maintenance, Monitoring, Emergency, etc.	SA#14, Ramping Rate Conditions
Reservoir Operations & Fluctuations	X		Lake Level Operating Plan		#9, Reservoir & Forebay Mgmt. & Mitigation	
Species of Special Status	X		X			
Non-native Fish	X		X			
Resident Fish	X		X			
Large Woody Debris	X		X		#7, Restoration of Fluvial Geomorphic Processes, Passage of Woody Debris	SA#9, LWD

Requested BST Actions:

- Review and Comment on 1st DRAFT "Framework for Agreement" by Nov 15th
- Approval to Proceed as Amended
- Provide common Settlement Agreement language used by your organization

Preliminary PME Options
Aquatics Resources Working Group
Summary
October 30, 2002

Overview

Introduction: Of the three working groups who engaged in these preliminary PME discussions, the Aquatics Resources Working Group had the greatest difficulty in sorting through the options to reach even preliminary conclusions about potential PME's. The group clearly has a high collective level of expertise and they worked really hard at addressing PME's at an "idea" level. However, the process itself was less effective for this group.

The group developed a range of options under the various issue areas listed below. It should be noted that we have reorganized these issue areas from the original format. We did so at the group's request and have done our best to assure that these accurately reflect the group's thinking.

Number: This working group discussed over 190 ideas to address the 7 major issue areas listed below. These ideas had been developed at earlier brainstorming sessions. As is typical with brainstorming sessions, some ideas were repeated under more than one topic and many were descriptive of a range of options (e.g., from "Do nothing" to "Move more large woody debris than what comes into the system"). Other items suggested the same option in different parts of the system (e.g., Upper Baker, Lower Baker, etc.).

The group deleted a handful of ideas that would have required project discontinuation or increased fish mortality. They questioned dozens more based on either legal or feasibility questions. At the "idea" stage, many options were too general for the group to determine feasibility or efficacy.

Interests: The range of potential conflicts of interest appeared clearly in this group's discussions. In addition to PSE's general caveat regarding cost and scope (i.e., that some options might be cost prohibitive and that implementing *all* options—if their scope is large—would certainly be), various options appeared to result in some of the following conflicts:

- Conflicts between the interests of recreational/commercial fishers and the tribes and those of some other stakeholders (e.g., fish resource agencies);
- Conflicts among the needs of various species (and, therefore, various stakeholder groups);
- Potential conflicts with U.S. Army Corps of Engineer requirements versus ideas that some thought were optimum for fish;
- Potential conflicts with Washington Department of Ecology water quality requirements versus ideas that some thought would restore habitat through, for example, placement of gravel.

Indeed, in this group, there were many agreements on concepts of certain things being done with a myriad of conflicting interests depending on the option being discussed.

The group noted a number of areas for cross resource discussion with both the Terrestrial and Recreation Working Groups.

Data Gaps and Timelines: The Aquatics Resources Working Group has 30 studies at various stages of completion. Eight of these studies are scheduled for completion later than this spring. The group discussed a number of ideas for which no specific studies are being done, e.g., there are no studies dealing specifically with artificial production options. They did not have time, however, to assess whether these are important data gaps.

Summary of PME Discussions in Each Issue Area

Instream Flow Management

The group discussed a range of potential needs that could be addressed through flow regimes including:

- Threatened or endangered aquatic species;
- Species of special concern;
- Other native species;
- Riparian habitat; and
- Restoration of channel forming and other geomorphic processes.

As can be expected, brainstormed ideas ranged from "run of the river" flows through regulating the Baker flows to compensate for flow releases from the City Light Skagit River Project. The group is conducting six studies that relate to these issues. HYDROPS modeling will determine the relative amount of power production and its value between various flow scenarios. Although the model won't determine the right flow regimes, it will show the impact of various regimes.

The installation of flow continuation capability and of a new Baker unit garnered high levels of consensus from the group.

Reservoir Operations and Fluctuations

The group agreed that they need to develop and implement a comprehensive reservoir management plan that addresses the influence of the reservoir on natural processes, its effects on composition and productivity of the aquatic community and its effects on aquatic and riparian habitat. Under this broad heading, the group discussed a range of ideas including, for example:

- Attempting to coordinate ramping rates with the Seattle City Light's Skagit River Hydroelectric Project;
- Applying State ramping rates;
- Linking ramping rates to existing inflow rates;

- Managing the drawdown zone to reduce adverse impacts on fish and riparian habitat needs;
- Restricting human access to the drawdown zone;
- Managing reservoir levels to accomplish a range of fish/riparian-related objectives.

As noted in the introduction, the working group noted conflicts with the interests of various stakeholder groups for many of the options discussed, particularly at the general level at which they currently must be stated.

Anadromous Fish Passage

The Working Group agreed that the Fish Passage Technical Working Group is in the process of evaluating the options in this area and decided it would be inefficient to evaluate them again in the Working Group Sessions.

Hatcheries

The group discussed the use of artificial production for a variety of purposes from meeting recovery goals for threatened species through meeting harvest goals. The group identified areas of potential conflict depending on how extensively and for what purposes artificial production would be used. They concluded that this alternative would need to be considered as part of an overall Fisheries Management Plan. In such a Plan, the conflicting interests would be discussed and balanced. It should be noted that there are no re-licensing studies associated with the ideas on artificial reproduction. However, there is a pilot program for sockeye being initiated in the Basin.

Spawning and Rearing Habitat Restoration

In this area, the working group discussed a number of options including:

- Purchasing or leasing lands to provide for off channel habitat;
- Replacing spawning, rearing and holding habitat loss in the Baker Basin in another part of the Skagit Watershed;
- Developing a Large Woody Debris management plan that considers a range of options to assure sufficient LWD for habitat purposes;
- Developing strategies for managing sediment/gravel to optimize spawning habitat;
- Developing plans to provide for marine-derived nutrients, either through fish production or use of inorganic fertilizers; and
- Reclaiming spawning beaches.

Various options noted above carry with them potential conflicts with interests of various stakeholders, depending on the option. For example, certain ideas designed to transport more LWD through the system might concern Skagit County, bridge owners and Washington State Department of Transportation. Certain ideas designed to create more

spawning through gravel placement or increase marine-derived nutrients could create localized water quality problems.

Water Quality, Reservoir and Stream

The representative from DOE inserted place holders for the water quality requirements that would need to be addressed as part of the License Agreement. The group did not discuss these in any detail.

Invasive/Alien Species

The group discussed a limited number of options to minimize the impact to the natural ecosystem of invasive, introduced, alien and/or exotic species, both aquatic and riparian:

- Removal of Japanese Knotwood and Reed Canary Grass from the Baker Watershed;
- Using only native fish for future fish stocking programs;
- Establishing/implementing a program to control all invasive flora species with a negative impact on aquatic and riparian species;
- Educating the public to minimize stocking non-native fish; and
- Coordinating with fish management agencies to stop non-native fishing stocking.

Some members of the group noted that the Terrestrial Resources Working Group is discussing a Vegetation Management Plan which will likely address some of these ideas. With respect to the stocking of non-native fish, the group noted potential conflicts with the interests of recreational fishers and the recreational side of WDFW. There are no studies being conducted in the Aquatics group with respect to this issue. There are related studies in the Terrestrial Group, particularly with respect to riparian plant species.

Prepared by:
Dee Endelman
Agreement Dynamics, Inc.

Preliminary PME Options
Recreation Resources Working Group
Summary
October 30, 2002

Overview

Number: The Recreation Working Group discussed 69 ideas to address 8 issues they had identified. During the evaluation process, they did not delete any of these ideas. However, they flagged 10 of them as having legal or technical feasibility questions or limitations.

Interests: There were several ideas brought forward in this group that raised potential conflicts, particularly with the interests of wildlife stakeholder groups (e.g., regarding expanding recreational sites and access by motorized vehicles). It should be noted that the group was discussing ideas at the conceptual level and without completed study data. Accordingly, this initial level of accord is not a reliable indicator that conflicts will not arise as the group drafts ideas into PME's.

Several areas of potential conflict arose related to scope and cost of various options as well as Agency and Licensee desires for cost surety over the license term. Specifically:

1. Group members representing PSE noted that some options might be cost prohibitive and that implementing *all* options—if their scope is large—would certainly be!
2. The USDA Forest Service put forward ideas regarding visitor information centers and other facilities which would require PSE to take on Operations & Maintenance costs. Members representing PSE's interests noted the company's preference for contributing to capital costs, rather than O & M.
3. The Forest Service put forward ideas which would require PSE to contribute to a percentage of operating budgets in designated recreational areas. The group discussed how paying a percentage of a total budget over which one had no control could lead to adversarial negotiations during the course of the license which would not meet either party's interest in surety. The working group members agreed that they would need to develop some method that would provide cost surety and facilitate collaborative partnerships over the term of the license.

Themes: Following are themes that recurred during the discussion of a number of issues and PME options:

- The need to develop a formula for licensee financial contribution to recreational projects that provides surety for both PSE and for the Forest Service during the term of the license;
- The importance of outlining costs in terms of Administrative Overhead, Capital Costs (for facilities construction and improvement) and Operations and

Maintenance. This division will allow the parties to understand the uses for the contribution being sought;

- The recognition that, although recreation users may have interests related to reservoir levels, aquatic resources, flood control and power generation needs would likely be more influential regarding the extent to which this is possible; and
- The recurring cross resource implications for Terrestrial Resources, particularly with respect to recreational access to areas used for wildlife/plant habitat and the use of motorized vehicles in wilderness areas.

Data Gaps and Timelines: The group has not identified any current data gaps. Studies are being conducted and most are scheduled to be complete by March 2003.

It should be noted that, on November 6, 2002, the group is hosting a visioning workshop to which stakeholder groups have been invited. This gathering should allow the group to complete its needs analysis.

Summary of PME Discussions in Each Issue Area

Meeting Recreational Needs: Addressing Current Recreational Needs (R-1) and Project Effects on Recreational Facilities and Opportunities (R-4)

The group discussed and supported the idea of developing a Recreation Management Plan which considers the following ideas (these ideas would be further developed when studies are complete):

1. Improving current campgrounds;
2. Developing additional developed recreational capacity, including day use and campgrounds;
3. Providing facilities for viewing wildlife, including Watchable Wildlife;
4. Providing additional trails for hiking and biking;
5. Facilities for water trails;
6. Upgrading boat ramps;
7. Adding boat launches;
8. Providing and/or modifying existing facilities to assure accessible fishing/recreation activities (under the Americans with Disabilities Act);
9. Developing visitor information, interpretive and education services for project-related facilities, including the development and operation of visitor information stations and the replacement of an ampitheater; and
10. A plan for managing dispersed recreation sites.

With respect to some of the specific locations mentioned by the Forest Service in the brainstormed list of ideas in this area, the group noted:

1. Washington Department of Fish and Wildlife Services' concerns about wetlands and habitat may conflict with desired recreation at certain locations;
2. That some boat launches might not be feasible, depending on PME's put forward by the Aquatics Resources groups; and
3. Some legal issues and other concerns were expressed related to the use of ORV's.

Under the discussion of "project effects on recreation", there were a number of ideas listed which called for PSE to contribute financially to the administration, operation, maintenance and replacement of specific recreational sites, facilities, trails, resource protection measures within the drawdown area and boat launch areas. In was in the context of this discussion that the need for a collaborative approach to funding—one which addresses both the Forest Service's need for surety regarding financial contribution and PSE's need for surety regarding costs—became particularly apparent.

The group also discussed the idea of developing a Road Access, Maintenance and Travel Management Plan, although PSE noted a potential conflict because of land ownership issues. The question is: What authority and responsibility can the licensee take on with respect to roads that they do not own?

1. The group discussed access to West Pass Dike, noting legal issues related to ownership;
2. They also decided to add a PME option for consideration: "Maintain public and Forest Service access through PSE property and over Upper Baker Dam".

Protecting Public Health and Safety in Recreational Areas (R-2)

The group focused on five areas in its discussion of health and safety:

1. Law enforcement
   - Providing financial support for law enforcement and recreation compliance to project-related users;
   - Developing a comprehensive cooperative law enforcement agreement with Whatcom and Skagit County Sheriffs; and
   - Restricting alcohol use. With respect to this last point, the group noted that such a policy should cover more than just PSE-owned property and acknowledged the difficulty of promulgating such restrictions on other lands.

2. Waste and refuse management: Developing, installing and administering a waste and refuse management program for Baker Lake dispersed recreation sites. The group commented that it should actually develop a Dispersed Recreation Management Plan of which this would be one part. They also discussed the need for partnering between PSE and the Forest Service in the management of waste and refuse;

3. Water systems: Developing/replacing water systems in specific locations. There were questions raised about the Licensee's responsibility for the locations discussed.

4. Emergency communications: The group agreed this issue needed to be defined to be addressed. Is this about public emergency notification or the ability of the public to communicate (e.g., via cell phones) throughout the project area?

5. Boating safety: The group supported the development of a boating hazard reduction plan and noted the importance of supporting the County in the development of a boating/watercraft user plan and program. During this discussion, NCI raised the idea of developing a plan for non-motorized access to Lake Shannon, permitting non-motorized boats only on this lake. Other group members found this an interesting idea, one which certainly merited further discussion.

6. General hazard management: Here the group discussed not only posting signs but also the restriction/elimination of access to areas that are hazardous and not able to be effectively managed.

Emergent Recreational Needs (R-3)

Recognizing the many aspects of recreation will change over the license term, the group supported an adaptive management approach to the Recreation Management Plan (see R-1 above) including consideration of the following ideas:

- Periodic review of the Plan;
- A formula for Licensee contribution to future developments;
- A way to collect and maintain public input over time;
- The establishment of a recreation advisory committee; and
- A fund for community recreation and education needs, including at least some matching elements.

Addressing Visual and Aesthetic Impacts (R-5 and R-6)

The group supported the development and implementation of a scenery and aesthetic management plan to mitigate visual and aural impacts of project facilities. They also supported the development and implementation of a vegetation management plan. Group members noted that such a plan is under consideration in the Terrestrial Resources Working Group. The Recreation Group might contribute to the Plan by providing its input on aesthetic and visual aspects of vegetation management, rather than develop a separate plan.

With respect to the visual effects of reservoir fluctuation, the group discussed how this issue will be influenced by aquatic resource concerns, flood control and power generation needs. The group noted that the HYDROPS model would be helpful in running such scenarios.

Addressing Inconsistencies between Project and Adopted Comprehensive Plans (R-8)

The Group agreed that, as a legal requirement, they would need to identify a process to review consistency with comprehensive plan requirements.

Prepared by:

Dee Endelman, Agreement Dynamics, Inc.

Preliminary PME Options
Terrestrial Resources Working Group
Summary
October 30, 2002

Overview

Number: The Terrestrial Working Group discussed 85 ideas to address 15 issues they had identified. During the evaluation process, they deleted four of these ideas as being technically or legally infeasible and flagged a number of others as having legal or technical feasibility questions, some of which may be answered after studies are complete.

Interests: There were few ideas that suggested conflicts with the interests of any particular stakeholder group, particularly those represented within the Terrestrial Resources Working Group. It should be noted that the group was discussing ideas at the conceptual level and without completed study data. Accordingly, this initial level of accord is not a reliable indicator that conflicts will not arise as the group drafts ideas into PME's.

One potential conflict that *did* arise relates to the scope and cost of various options. Group members representing PSE noted that some options might be cost prohibitive and that implementing *all* options—if their scope is large—would certainly be! The Working Group agreed that categorizing options into high, medium and low priority would be an important next step.

Themes: Following are themes that recurred during the discussion of a number of issues and PME options:

- Land management and habitat enhancement;
- Assisting other landowners in managing wildlife and the difficulties associated with wildlife management on lands not controlled by the licensee;
- The recognition that, although reservoir management affects terrestrial life, options related to this issue would likely be controlled by aquatic needs; and
- Cross-resource implications.

Data Gaps and Timelines: The group did not identify any known data gaps at this time. However, as studies are completed, the group may become aware of additional gaps not currently obvious. Currently, 11 of the 15 studies being conducted are scheduled for completion by Spring 2003.

Summary of PME Discussions in Each Issue Area

Effects of reservoir on wildlife & plants (T-1)

Ideas which appeared to elicit a good level of consensus included:

- Manage the seasonally available habitat to improve quality for target species, including beneficial plantings; and
- Develop and implement a plan to provide nesting structures in appropriate places.

As noted above, the Group recognized that reservoir management would be heavily influenced by aquatic needs and saw this as a topic for discussion across working groups.

Overall size of wildlife populations (T-2); Game Habitat (T-3); Wildlife species of special status (T-9) Undesirable wildlife (T-12)

Ideas which appeared to elicit a good level of consensus included:

- Develop and implement a comprehensive wildlife management plan which considers ideas such as:
    - Land management and adjustment
    - Providing money to purchase and/or manage habitat
    - Closing trails, roads and/or otherwise limiting access
    - Bald eagle management plan
    - Nutrient enhancement programs
    - Habitat enhancements

Ideas which presented particular challenges or questions included:

- Options that suggest PSE assist other landowners in managing wildlife: the group noted the difficulty of controlling how other landowners will act;
- Options that suggest supporting legislative actions on behalf of wildlife: although the working group members thought it was a good idea, they noted difficulties for some signatories (government agencies);
- Options that suggest supporting wildlife activities outside the Baker Basin or general contributions ("out of kind"); and
- Undesirable wildlife
    - Need a list of "undesirable wildlife"
    - Could have cross resource implications (e.g., fish predators)
    - Noted this as an area for adaptive management over the license term
- Scope and cost of certain solutions which elicited high level of consensus (especially land acquisition).

Wetlands (T-4)

The Group agreed to the need to explore ways to create, protect and enhance wetlands both inside and outside the Basin, including:

- Enhancement of existing wetlands;
- Acquisition of wetlands; and
- Restricting access to wetlands susceptible to human disturbance.

This last idea has cross resource implications with recreation.

Forest Habitat: Hardwood Riparian (T-5) and Late-Seral Coniferous (T-6)

Ideas in this issue area which engendered good consensus among working group members included:

- Managing lands within the Basin to maintain and enhance habitat and for reduced edge contrasts;
- Monitoring neo-tropical migratory songbirds; and
- Habitat acquisition.

The group agreed that cover maps currently being generated will assist them in better visualizing the possibilities.

Connectivity (T-7)

This issue is related, in part, to the one above. In addition, the working group talked about the possibility of connectivity enhancements in the general vicinity of the project (if there are bottlenecks for migration corridors between parts of the Basin) and managing for a fuller complement of salmonids (bear food). The group flagged this last idea as having potential cross resource implications.

Snag and log habitat (T-8)

The group discussed providing snags and logs in areas where they are deficient and noted the safety implications associated with snags in recreation areas.

Vegetation: Plant species of special status (T-10) and Noxious weeds (T-11)

As with wildlife issues, the ideas that garnered general support included:

- Develop and implement a plan for management of plant species of special status including, for example:
    - Survey for presence and adjust future development plans to avoid impacts on such species;
    - Close dispersed recreation sites, as needed;
    - Enhance/transplant populations of such species to increase viability.
- Develop and implement a noxious weed control plan for the project.

The ideas related to noxious weed control engendered a number of feasibility questions. The group also noted cross resource implications related to recreational impacts on species of special status.

Land Management Activities (T-13)

Discussions in this area related to the possibility of acquiring lands that might be otherwise developed in the future. A land use study is currently being done that will provide information in this area.

Impact of recreation (T-14)

Most of the ideas in this issue area related to restricting access, seasonal closures or closing some dispersed recreation sites and public education. The group recognized significant cross resource implications with recreation.

One hot topic identified here was PME prescriptions on Forest Service lands. If, for example, the PME calls for closures of recreation sites on Forest Service lands, there is separate process which would need to be followed to implement such closures.

Flow manipulation impacts on wildlife and habitat (T-15)

The group acknowledged that other interests—particularly fish, flood control and power generation—would govern the area of flow manipulations and hoped that the results would also be beneficial to terrestrial life. The group also discussed the possibility of coordinating flows with Seattle City Light to benefit riparian zone and dependent species.

Prepared by:
Dee Endelman
Agreement Dynamics, Inc.