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## **BAKER RIVER PROJECT RELICENSE**

### **Economics & Operations Working Group**

September 11, 2002

1:00 p.m. – 4:00 p.m.

PSE's Mount Vernon Business Office  
1700 E. College Way  
Mount Vernon, WA 98273

### **AGENDA**

1. Review/ revise group's old issue statements (from 2000 meetings)
2. Initiate brainstorming of solutions to issues (leads to PME)
3. Demonstration of HYDROPS model remote operation with server at Powel's office in Victoria, using *netops*, an Internet connection tool.
4. Demonstration of HYDROPS output screens and formats.
5. Begin discussion of hydrology baselines to be utilized in analyzing project proposals (e.g. average year, drought, wet, 10% exceedance, 90% exceedance, 1997, 2001).
6. Prepare agenda for October 9th meeting (i.e. discussion of approach to flood analysis).



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## FINAL 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](mailto: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 the day of the meeting. Lyn's cell phone is 425-890-3613.*

### PRESENT

Lloyd Pernela, Bob Barnes, Joel Molander, (PSE), Margaret Beilharz (USFS by phone), Bob Helton (Private Citizen), Chris Hansen-Murray and Rod Mace (USFS), Kevin Young and Brian Mattax (Louis Berger Group), Gary Sprague (WA Dept. Fish & Wildlife by phone), Jerry Louthain (Economic AND Engineering Services representing Skagit PUD, City of Anacortes and Town of Concrete), Chuck Howard, (Senior Consultant and former president of CHAL), Do Tung Powel (President, Powel Ltd.), Dee Endelman (Agreement Dynamics), Mary Jean Bullock, note-taker and Lyn Wiltse, facilitator (PDSA Consulting Inc.)

### DATES OF FUTURE MEETING DATES/LOCATION

October 9th, November 13th December 11th at PSE Office on College Way in Mount Vernon from (9:00 AM --- noon)

### NEW ACTION ITEMS

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- ALL: Review the draft list of issues developed by the teamlet (see below). Review also lists from other resource Working Groups to look for holes (the miscellaneous “other” that this Working Group will also address).
  - Lloyd et al.: Draft list of issues for this group, (framed as problems to be solved), and send out to members for review prior to our October meeting.
  - Bob Barnes will convene teamlet to propose hydrology baselines (Margaret, Bob Barnes, Bob Helton, Charles, and someone from the Project) before October 9<sup>th</sup> meeting.

## **AGENDA**

**September 11, 2002 at PSE Office in Mt. Vernon, WA**

**1:00 to 4:00**

1. Review meeting notes and this agenda- Solution Team Update
2. Action Items
3. Review/revise groups of old issue statements (from 2000 meetings)
4. Initiate brainstorming of solutions to issues (leads to PME)
5. Demonstration of HYDROPS model remote operation using Internet with server at Powel Group's Victoria office!
6. Demonstration of HYDROPS output screens and formats.
7. Begin discussion of hydrology baselines to be utilized in analyzing project proposals (e.g., average year, drought, wet, 10% exceedance, 90% exceedance, 1997, 2001)
8. Prepare agenda for October 9<sup>th</sup> meeting (i.e. discussion of approach to flood analysis)
9. Evaluate meeting

## **INTRODUCTIONS**

We welcomed for the first time Kevin Young and Brian Mattax (sitting in for Mark Kilgore) of (Louis Berger Group) and Margaret Beilharz (on the phone for the USFS), and Dee Endelman of Agreement Dynamics.

## **REPORT ON OLD ACTION ITEMS, April 10 Meeting:**

- ALL: Reviewed list of Hydrops Model outputs you receive from Lloyd to look for holes.
- Tung: Emailed a draft of a form that Working Groups would use to submit scenarios. Sent to Lloyd to distribute to members to review.
- Tung: Sent list of current Hydrops Model outputs to Lloyd to distribute for review.
- Lloyd: Reserved PSE training room for June 12 workshop and included driving directions in the minutes.

## **SOLUTION TEAM UPDATE**

Lyn shared that the Solution Team has asked all of the resource area Working Groups to submit a preliminary list of potential PMEs by the end of October. This is to help accomplish the over-arching aim of turning in a Settlement Agreement along with the license application by April 30, 2004.

The Solution Team has moved their October meeting date to October 30 to allow maximum time for the Working Groups to accomplish this task. Dee Endelman of Agreement Dynamics has been assisting the working groups to help them accomplish this task. She has been doing this by spending approximately 90 minutes at the start of each working group meeting. She has also met with some technical working

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groups off line to assist them in developing their lists. The first step was to review the original list of issues that all the groups drafted over a year ago. The next step has been to rephrase the issues as problems to be solved. Once the groups agree on the list of issues, they begin brainstorming possible protection/mitigation/enhancement (PME) measures. No effort will be made to distinguish among the PM or E.

The Solution Team understands that this Working Group is distinct and won't be able necessarily to follow the process that the other groups are following.

### **DRAFT PME DEVELOPMENT**

Dee Endelman distributed a handout describing the RESOLVE process for collaborative problem solving. She then reviewed the process being used by the other Working Groups to develop draft prevention, mitigation, and enhancement (PME) measures for the Solution Team by the end of October. She distributed the issues (framed as problems to be solved) by the Aquatics, Terrestrial, and Recreation Working Groups to date. She also distributed draft criteria to be used in defining a range of options for PMEs.

We reviewed the list of issues from our January, 2001 meeting and added the following:

- Satisfying existing water rights
- minimum instream flows
- Controlling downstream flooding
  - Through operations
  - Catastrophic events
    - PME: Follow FERC regulations and more?
      - Improve emergency notification plan/documentation?
- Providing a standard cost/benefit assessment methodology for all Working Group requests/recommendations
  - What does increased license term mean in terms of consideration? (30-50 years)
- Establishing a baseline economics scenario to use/description of variables

### **DEMONSTRATION OF HYDROPS MODEL REMOTE OPERATION**

PSE is in the process of making the model available to everyone to access remotely. This access will be granted following an in depth review of the model by Stetson Engineering. Since only one person can access the model at a time, there will be a need to set up a sign-up a schedule. PSE also welcomes folks who want to familiarize themselves with the model at their Bellevue office where they have a copy of the database identical to the database that sits at Powel Group in Victoria. The database is static. If you want to access the system at PSE's office, call Joel Molander. 425-462-3603 to arrange a time.

Copies of the connection software will be made available. PSE will include user documentation (including naming conventions) for running the model. For complex runs, participants will have the option to submit Study requests for the runs or to log on and execute the runs themselves. PSE will make its hydrologists as well as someone from the Powell Group available to assist with formulating runs and conducting analyses. Tip: Make lots of notes and change only one variable at a time when executing runs.

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## **HYDROPS OUTPUT SCREENS AND FORMATS**

Joel reported that the suggested screen format changes are being made and should be complete by October 9<sup>th</sup> meeting for review. If anyone has additional ideas for changes in format, please talk to Joel as soon as possible.

## **THIRD PARTY CONTRACTOR TO REVIEW**

The USFS is utilizing Stetson Engineers for their work on the Skagit River. Stetson will review the HYDROPS model as applied to Baker Project and provide a report.

## **HYDROPS.HYDROLOGY BASELINES TO BE UTILIZED IN ANALYZING PROJECT PROPOSALS**

Bob Barnes suggested the need to set up some model years that reflect a variety of conditions (wet, dry, etc.). We also need to carefully define each of these categories (e.g., does wet = 90% exceedance? etc.). We need to be able to run the years we select on an hourly flow basis. We would place this in the context of energy output and what we could do with daily flows. Charles Howard said that global climate change information is not useable for this analysis, as the spread/variability from the different climate change models is greater than the prediction of future climate changes. He suggested we calculate the energy content of each year on a daily or weekly basis. We would then total up the energy content for each year and choose some years with comparable energy totals and give them to the Aquatic Working Groups to sort through and identify flows of interest – in this manner Puget interests with respect to power are same for any year chosen. The group would then recommend specific years to use based on impact to fish, etc.

A baseline teamlet was created with the responsibility to identify how baselines would be developed and described for the next meeting. Members include Bob Barnes, Margaret Beilharz, and Charles Howard.

## **HANDOUTS**

- The official, final, and FERC-approved versions of the Communications Protocol and Process Document
- Copies of the issues and interest generated by this Working Group back in January, 2001
- List of Process to RESOLVE Issues Jointly (Agreement Dynamics)
- Summary of Issues Identified by Aquatics, Terrestrial, and Recreation Working Groups (listed a problems to be solved)
- Draft Criteria to be Used in Defining a Range of Options for PMEs
- Instruction that Dee sent to Working Group Team Leaders re: drafting the issues for Collaborative Problem Solving

## **PARKING LOT**

- Forest Service Watershed Analysis
- New Baker EAP Inundation maps available end October.2002.
- Consider who will be the number cruncher for this team: PSE? Other?
- GANNT chart with due dates, etc.
- Presentations:
  - Wild and scenic river 101
  - Flood Plain Values 101
  - Fisheries/Hydraulics 102

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~~Economic Model~~

**EVALUATION OF THE MEETING**

**Well-Dones**

- Chuck's presence
- Good notes
- Happy to have Gary and Margaret on phone
- Chris' comments on 9-11 ceremony
- Table antics

**Need to Improve**

- Ran late

**What's Hot?**

- Finishing the model
- Establishing hydrology baselines

**TENTATIVE AGENDA FOR NEXT MEETING**

**October 9, 2002 at PSE Office, 1700 E. College Way, Mount Vernon**

**9:00 to 12:00**

1. Introductions
2. Review/revise minutes and agenda
3. Action Items
4. Presentation by ACOE on Baker/Skagit flood program.
5. Discussion of approach to analyzing flood control and development of options
6. PMEs: Review issue list and begin to brainstorm possible PMEs
7. Make final decisions re: hydrology baselines to be utilized in analyzing project proposals
8. Demonstration of HYDROPS output screen formats
9. Prepare agenda for November 13th meeting (i.e., discussion of approach to flood analysis)
10. Evaluate meeting