
BAKER RIVER PROJECT RELICENSE

Solution Team

March 25, 2003

9:00 a.m. – 3:00 p.m.

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

AGENDA

1. Introductions
2. Settlement Process Update – Cross Resource Workshop
 - Workshop debrief
 - Next Steps
3. Preparation for FERC call/ FERC call
 - Flood Control Update
4. Action Items
 - PDEA Update
 - HYDROPS Update
5. Working Groups:
 - What's Hot?
 - Status of Studies in Working Groups
6. Schedules/Timelines
7. Other?
8. Set April 22, 2003 Agenda and Evaluate Meeting

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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).

Conference Call Number: This is a toll-free call. The procedure is:

- Dial **1-866-280-6429** at the designated date and time.
- Enter the Participant code of **144995** followed by the # **sign**.
- You will be asked to record your name.
- You will hear hold music until the Host has dialed into the call.

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

Members Present: Steve Hocking, Keith Brooks (FERC, by phone), Arn Thoreen (Skagit Fisheries Enhancement Group), Rob Mohn (the Louis Berger Group), Bill Reinard (Wildcat Steelhead Club), Marian Valentine (U.S. Army Corps of Engineers), Bob Helton (Citizen), Bob Nelson (Rocky Mt. Elk Foundation), Steve Jennison (DNR), Jon Vanderheyden (U.S. Forest Service), Ed Schild, Cary Feldmann, Kris Olin, Connie Freeland, and Lloyd Pernela (PSE), Patrick Goldsworthy (North Cascades Conservation Council), Dave Brookings (Skagit County Public Works, by phone), Dee Endelman (Agreement Dynamics), Lyn Wiltse, Facilitator and Mary Jean Bullock, Note-Taker (PDSA Consulting, Inc.).

2003 Solution Team Meeting Schedule:

April 22, May 20*, June 24, July 22, August 26, September 23, October 28, November 25, December 16*. [* 3rd Tuesday because of holidays.]

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NEW ACTION ITEMS

- Kris: Get next draft of diagram (Flow Chart for Preparing Second Draft Proposed Actions/License Articles) out for Solution Team review by April 11.
- Dave: Send Lloyd contact information on Skagit County legal person for Flood Teamlet.
- ALL: Give feedback on Settlement Process to facilitation team.
- Lyn: Revise Meeting Norms and send to Connie to include in Meeting Notes.
- Steve H: Send sample license articles drafted from PMEs to Connie to distribute to Working Group members.
- Steve F, Gene, Jon: Review the revised schedule. See if it works with their internal processes.
- Steve F: Talk with Steve H. about how and when NMFS' essential fish habitat determination will be made.
- Marian: Bring flood control update to next meeting along with timeline if possible.
- Cary: Send out list of HYDROPS scenarios that are being run to the team leaders to distribute by March 28th.
- Jon: Discuss continuing impacts with Recreation team members.
- Cary: Put together PSE/USFS conference call to discuss Recreation issues as they relate to continuing impacts.
- Kris: Check out better phone technology.

SETTLEMENT PROCESS UPDATE

Workshop Debrief

The Facilitation Team is very encouraged by the work done at the cross resource workshop. Attendees reported that they are feeling cautiously optimistic about coming up with the second draft proposed actions by May 1. This is part of the new timeline since FERC announced that they are requiring us to submit the Settlement Agreement along with the license application by April 30, 2004. They also strongly suggested that the Settlement Agreement be written in the form of license articles.

In order to complete the second draft proposed actions by May 1, the following meetings are scheduled:

- Aquatics: A retreat at the Baker Lodge April 1 and 2
- Terrestrial: Baker Agency Working Group (BAWG) on April 21 from 9 a.m. to noon, and then they will review the BAWG response to the draft proposed actions at the April 23 Working Group Meeting.
- Recreation: Walked through draft proposed actions on March 24 and will be meeting at the PSE Business Office on March 28 from 9 a.m. to noon with the Terrestrial Working Group members to resolve cross-resource conflicts. Then from 12:20 to 2:30 they will begin to edit the draft proposed actions. Depending on how far they get, they may set up another teamlet meeting.
- Cultural: Will review/edit draft proposed actions at their April 8 meeting. They will also be reviewing what comes from the March 28 meeting with Terrestrial and Recreation folks.
- Economics/Operations: Will review/edit draft proposed actions at their April 9 meeting.

We will have a follow-up cross resource workshop (possibly in Everett) on May 14. The first half of the day will be each Working Group presenting the changes they are proposing to the initial draft actions. The second half of the day will be a facilitated problem solving/synergy optimizing session across all resource areas.

Next Steps

Kris walked us through a diagram he put together (“Flow Chart for Preparing Second Draft Proposed Actions/License Articles”) to suggest how our Settlement Process might work. After some discussion, Kris agreed to revise the diagram based on the feedback he received. He’ll get this out for our review by April 11. We’ll discuss this again at our April meeting. At that time, we’ll also get an update of where each of the Working Groups is in terms of producing the second draft actions by May 1.

ADAPTIVE MANAGEMENT

Dee facilitated the Technical Working Group (not at all a “teamlet”) for Adaptive Management on March 13. They set three tasks for themselves:

1. Come up with a recommendation on Adaptive Management philosophy
2. Come up with a recommendation on structure/procedures for using Adaptive Management (Will start by reviewing draft proposed action on Baker River Coordinating Committee)
3. Put together a framework for Working Groups to use to identify which of their proposed actions are most conducive to Adaptive Management

Adaptive Management Philosophy – Concepts

- Not a tool to avoid decisions now, but to manage unforeseen, or what is not known now
- Needs structure
- Needs standards

They will meet again on April 14. In the meantime, Dee is drafting a philosophy statement for them to review. We will review their recommendations at our April Solution Team Meeting.

REPORT ON OLD ACTION ITEMS

- Marian: ~~Is seeking clarification from Wayne Wagner re: flexibility in timing of flood control draw down.~~ Flexibility in timing of flood control drawdown is one of the items that the Corps is seeking to define under the broader issue of discretionary authority. [Marian Valentine]
- Steve H: Met with Steve Fransen and Rob Mohn to discuss how to integrate ESA into PDEA.
- Steve F: Buttoned up with Gene Stagner by March 3 re: ESA requirements for PDEA.
- Kris: Posted the Flow Chart Versions of the Relicensing Schedule on the website.
- Lloyd: Convened meeting of Economics/Operations teamlet to discuss Keith Brook's flood control paper.
- Connie: Added Communications Protocol and Process Document to PSE website. Asked Kristen to post schedule information independently from Working Group-specific information. She reported that PSE has expanded the category "Baker River Project Information" to include associated documents, forms, timelines, etc. She will be revising the Relicensing Overview and Process sections to bring them up to date.
- Lyn: Worked with Bob Helton to add telephone etiquette and meeting minute editing process to meeting norms. *The group decided to eliminate the previous numbers of the norms now that they have been categorized. [Bob Helton]*

PDEA UPDATE

Rob reported that Steve Fransen provided ~~some recent examples of how PDEAs include ESA (Endangered Species Act).~~ General guidance on information NMFS would be expecting on T&E Species. [Rob Mohn] The Threatened and Endangered section of the PDEA will serve as the Biological Assessment. The species we are addressing are listed in Scoping Document 2, p. 27. Information on these species will be contained in the September 30 PDEA.

The main focus is getting the proposed actions out by June 1. Areas of disagreement may include a range (e.g., minimum flows), or a way to characterize what the proposed action is trying to achieve. Another possibility is to analyze two competing actions.

The Louis Berger team will be distributing a partial draft PDEA (the first couple of sections: existing project, operations, conditions, etc.) to the Solution Team for review by May 1.

FERC CONFERENCE CALL

- Draft Scoping Document 2: (Connie sent it out March 21, asking for comments by April 25). All were asked to get their comments to Connie by April 25. She will send them to Steve H. who will send out the final document to everyone on FERC's mailing list and PSE's list of persons interested in this process, along with a FERC notice that the document is available.

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- Nice to see Steve H. at our Cross Resources Workshop! It was good to clarify the non-extension policy.
 - FERC Concerns? The challenge of taking proposed actions and redrafting the language into license articles. They are also concerned about the participation and timely decision making of the three local authorities (Skagit and Whatcom Counties and the Town of Concrete). For that reason, Steve is setting up a meeting with these entities and DOE to discuss *SEPA [Team Leader]* and the Shoreline Management Act to ensure that these processes are integrated into the new schedule.

REVISED TIMELINE

The biggest change since the last version of the schedule is getting the second draft proposed actions/first draft Settlement Agreement out a little earlier than originally intended, May 1, 2003. The agreement would be completed by March 1, 2004.

Our challenge is to convert the draft proposed actions into license article language. To that end, Steve Hocking will send Connie (today) a couple of sample PME's that he translated into sample license articles. Steve suggests we start with the easiest ones first, leaving those that require missing information for later when those studies have been completed. PSE will provide an internal resource to draft the license articles.

Keith and Steve will review the initial draft proposed actions *from FERC's viewpoint and note ones that should be converted into license articles, ones that should be captured in management plans, and ones that could be consolidated. They will also flag areas of possible FERC concerns, such as safety and what may be jurisdictional within the project boundary. [Team leader clarification.]* They will then call the team leaders for the Working Groups to give them feedback. Steve and Keith will be continually involved in terms of providing input on work products for this process from this point forward.

FLOOD CONTROL

On March 13 a meeting was convened by Steve Babcock (USACE's Project Manager for the Flood Control Study requested by Skagit County). Participants were PSE, USACE, and Skagit County. A meeting of the Executive Committee (Skagit System Cooperative, Skagit County, Colonel Graves [USACE], DOE) followed. The membership list for the Executive Committee may need to be expanded to include the Forest Service and PSE.

At these meetings, it was agreed there was a need to modify the scope of the flood control study being requested by Skagit County. The County will be working with Pacific International *Engineering (PIE) [Dave Brookings and Marian Valentine]* to produce a preliminary assessment (brief technical document defining the potential benefits from increased flood storage) by May 1. At that point, the Executive Committee will review the document and determine the next steps. Skagit County sees two possible paths toward accomplishing the goal of additional flood control: through the Corps and through the relicensing process. The County is interested in pursuing both of those options. *Their main interest is to have this dealt with as soon as possible. Skagit County's interest is to identify the potential flood damage reduction benefits that can be derived by the altered operation of the PSE facility and to ensure that these benefits are evaluated in the context of defining the overall "public good" that should be optimized as part of the Alternative Licensing Process. [Dave Brookings] Dave Brookings noted that Skagit County is open to discussion about the compensation issue for flood storage. [Bob Helton and Dave Brookings]*

USACE Process for Responding to Requests for Additional Flood Control

Marian was pleased to announce that presently the Corps Office of Counsel is fully engaged in this process. They are investigating several issues:

- The Corps may not be able to sign the Settlement Agreement.
- Their discretionary authority is being clarified. This will affect flexibility on the amount of flood control compensation and timing.

Then the Corps will decide what they need to do to get to the point where they are ready to make a recommendation to FERC.

The Corps will meet with PSE and Dave Brookings on March 28 to continue this discussion. There is some question about how this process integrates with the relicensing process (EA, etc.) PSE expressed concern about their ability to integrate this flood control study into the relicensing process. This would add much complexity to our process. This may lead to a need for additional mitigation for impact on resources. Who would pay? There are also legal ramifications being considered by the legal teamlet (PSE, Corps, FERC, Skagit County, Skagit System Cooperative).

ORANGE ALERT UPDATE

The Regional Office of Dam Safety has asked PSE to go to Orange Alert. PSE is putting together a vulnerability/security assessment for each of its Hydro and ~~CT~~Combustion Turbine [Bob Helton] projects. If there is a specific immediate threat, they move to red. They would then coordinate with the FBI to lock things up, prohibit deliveries, etc.

There are ongoing discussions with the USFS re: how to control the road across the dam. They need to work together with other stakeholders to coordinate efforts.

HYDROPS UPDATE

R2's model is being incorporated into the HYDROPS model. There will be an April 10-11 meeting to discuss the status of this integration in Victoria. They will publish low/median/high water scenarios outlined in the Interim Protection Plan, etc. The focus is getting actual outputs from the model into the hands of Working Group members (e.g., series of flows, ramping rates, etc.) They will be doing a number of iterative runs across independent variables. We look forward to getting requests for runs (the form for requests is on the website).

Cary will be sending out a list of scenarios being investigated through HYDROPS to team leaders to distribute by March 28.

WHAT'S HOT IN THE WORKING GROUPS?

Aquatics

- Instream flows (Skagit and Baker River ramping rates are mutually exclusive)
- Planning for April 1 and 2
- Downstream Passage

Terrestrial

- Shoreline Management Plan for Lake Shannon

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- Some confusion re: schedule
 - PDEA is coming out before all study results are in

Recreation

- Continuing Resource Ongoing Impacts/Philosophies
- Fleshing out Resource Management Plans (with tight schedule and lack of data)
- Look at study results

STUDIES UPDATE FOR SOLUTION TEAM

Aquatics

Made progress on:

- A17 – Tributary surveys above barriers
- A39 – Native Non-Salmonids
- A24 – Part 1 Hydrologic and Geomorphic Analysis is out
- A37 – Without project
- A9 – We hope to get instream flow data

Terrestrial

- Doing the Bear “thang”
- Elk study is on its way
- Noxious weeds – start on June 15
- Follow up rare plants begins June 15
- Getting hydrology monitoring at the bog locations

Recreation

- Still waiting for Study results
- Got draft report for R-13 Visitor Survey
- Need Needs Analysis

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?)
- Develop public information protocol.
- Summary Record of Decisions.
- PME's listed for each Working Group.

HANDOUTS

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- Flow Chart for Preparing Second Draft Proposed Actions/License Articles (prepared by Kris Olin for review by the Solution Team, March 25, 2003)
 - Baker Relicense Project – Flow Chart Schedule (3/24/03)
 - Baker Solution Team membership list (3/24/03)
 - Solution Team Meeting Norms (revised March 2003)

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MEETING EVALUATION

Done Well

- Good food
- Good NGO luncheon conference, Thanks Dee!
- Coffee not as late as last time
- Facilitator's humor

Do Differently Next Time

- Need better tape
- Need better phone technology
- Missed some agency folk
- Sorry that Stan and Len were too ill to join the fun!
- Facilitator's humor