



Draft Meeting Notes

October 24, 2012 / 9:30 a.m. – 1:30 p.m./ PSE-Snoqualmie, WebEx, Call

Baker River Project License Implementation

Baker River Coordinating Committee

Tom's Contact Information: 425.457.5868, Tom.Flynn@PSE.com

PRESENT: Tom Flynn, Cary Feldmann, Paul Wetherbee, Arnie Aspelund, Jacob Venard, Elizabeth Dubreuil, Lynda Kupfer, Tony Fuchs, Pam Garland, Haley Edwards, Caitlin Faulkner – by phone, and Nathanael Overman (PSE); Jon Vanderheyden, Carol Gladsjo, and Mike Schlafmann (USFS); Bob Helton (Citizen); Steve Fransen (NMFS), Lou Ellyn Jones (USFWS), Stan Walsh – by phone (SRSC); Dan Berentson (Skagit County); Brock Applegate (WDFW); Chuck Ebel (USACE), Lyn Wiltse, facilitation (PDSA)

WEBSITE: You can find Baker River documents available to the resource groups such as resource group plans, reports, meeting notes, etc., via PSE.com:

<http://pse.com/aboutpse/HydroLicensing/Pages/Baker-River-Licensing.aspx>

BRCC MEETINGS: The BRCC meets semi-annually and reserves the 4th Wednesday of each month for potential BRCC meetings or conference calls. (Note: Tom is looking at reducing this number and will send something out in the next month or so.)

DECISIONS: None today.

NEW ACTION ITEMS

- Tom: Coordinate schedule of BRCC placeholder meetings with resource group meetings and send out new placeholder schedule to all.
- Tom: See that PSE sends out a notice about when updated documents have been posted to the website.
- Tom: Update BRCC Representative list.
- Tom: By December 15 send out revised Project Evaluation Process document to all to review / approve.
- Lyn: Update the Norms and send to Tom to distribute along with notes from this meeting.

PREVIOUS, STILL RELEVANT, ACTION ITEMS

- All: Send feedback on the Baker License website to Andy Hunting or your resource group leader.
- All: Send updates on the designated reps for your organization to Anna Wingfield (anna.wingfield@pse.com).
- Tom: Continue to send out email updates on implementation activities to all during the months where the BRCC doesn't meet in person.

WELCOME / OPENING REMARKS / ANNOUNCEMENTS

Director Paul Wetherbee thanked everyone for attending. He recounted the many activities associated with the Baker license implementation process and that there are now many new structures as a result of the license, such as the second Floating Surface Collector (FSC) in Lower Baker which will be brought online in spring of 2013. Also new will be the Lower Baker Powerhouse 4 and construction associated with the spawning beach decommissioning. He remarked that the Snoqualmie Plant will also be “new” with a complete rebuild of the plant.

He introduced Tom Flynn as the new Licensing Manager and explained that he will be focused on the long-term licensing activities once the new facilities go into operation and maintenance. Cary Feldmann is staying involved to provide continuity and is currently reviewing the many technical reports being produced in accordance with the license requirements.

Jon Vanderheyden introduced everyone to Carol Gladsjo who has been attending the RRG in Greta’s place as Greta has retired from the Forest Service. Carol is very familiar with the license as she has been working in the process for the last few months. He also introduced Mike Schlafmann who will be filling in for Jon as he plans to retire in January of 2013. Mike is new to the area and is very familiar with relicensing and the world of FERC. Jan Hollenbeck (member of the CRAG) reports to Mike. He has already read through the license and is looking forward to representing the Forest Service in this process.

Paul thanked Jon for his considerable contribution to the Baker relicense process. He brought a very special ability to focus on the detail while tending to the big picture. His practical, process-oriented questions helped us work together efficiently and effectively, with everyone’s interests in mind. This is Jon’s last meeting with the BRCC. He will be sorely missed.

HOUSEKEEPING

We reviewed the BRCC Norms last updated April 27, 2011. It is our intention to review these on an approximately annual basis and amend them as necessary to best guide our work together. They contain official meeting procedures prescribed by the Settlement Agreement as well as general meeting norms that we have chosen to follow. Lyn will make some minor edits and send these to Tom to distribute along with notes from this meeting.

All were reminded to send any updates to the official representative list for their organizations to Anna Wingfield at PSE. Just this week PSE sent out electronic and hard copy requests for updates from all Settlement parties. PSE uses this list for official mailings (e.g., 30-day review periods for draft reports and plans). This will ensure timely distribution of the right information to the right people. Anna’s email is anna.wingfield@pse.com.

RESOURCE GROUP UPDATES

ARG WORKING GROUP UPDATE

Team Lead Arnie Aspelund explained that the ARG has been meeting monthly (alternating between conference calls and in-person meetings), and will be moving to quarterly meetings in 2013. Their next meeting will be Nov. 13 at the PSE Skagit Office in Burlington. Fish facility operations and construction of new facilities have been dominating the discussions for the past year. Another area of focus has been

planning around decommissioning of the spawning beaches and restoring the landscape. At a technical working group meeting in June they narrowed the options to a preferred alternative design with construction starting in 2013.

A summary of recent 100 series articles implementation activities or news was provided. The aquatics articles include one fish propagation, three fish passage related, one flow management, and three habitat related (Gravel, LWD, and Shoreline Erosion):

Article 101 - Fish propagation - The new hatchery and modified spawning beach are going into the third year of operation. Fish propagation has changed dramatically from past history – from 1-2 million to 5-6 million (mostly sockeye). This year Arnie reported we are on target to hit the 6 million fry production goal. In coordination with the new FSC at Lower Baker they are already increasing numbers of fry releases to Lake Shannon (2 million in 2012). Fish production could be expanded to 11 million if the Baker System is capable of handling that.

Article 102: Reporting –Most of the aquatics articles have had annual reports completed by now. Draft annual reports for 103- Upstream Fish Passage and 104- Connectivity were recently reviewed and completed. Draft annual reports for 101- Fish Propagation will be out for review the end of October and both 105- Downstream Fish Passage and 106-Flow Implementation will be out the end of November, 2012. All of the aquatics annual reports will be consolidated into the 102 comprehensive report to the ARG in January 2013. Also, there were several article plans recently filed with FERC. These include, Article 106 flow implementation and a series of five plans associated with Article 105 downstream fish passage.

Article 103: Upstream Fish Passage - A record 28,000 sockeye returned to Upstream Fish Trap this season. They were then distributed out to various locations. They are currently updating the harvest information from WDFW and the co-managers. The total run is approaching 48,000 (with pre-trap harvest included). Broodstock goals for hatchery facility were easily met this year as well.

Many of the aquatics articles, including the three fish passage articles are associated with management plans and we are underway implementing those plans. For upstream and downstream passage these include the Operation and Maintenance Plan for operating and maintaining the passage facilities, the Emergency Response Plan which addresses operational contingencies and emergencies, Quality Assurance/Quality Control Plan, which identifies methods to confirm that facilities are constructed according to approved plans.

Article 104: Fish Connectivity - Nathanael reviewed numbers of bull trout encountered at the fish collection facilities and by angling in 2012. Native char PIT-tagging and collection of genetic samples continues as part of the Fish Connectivity Implementation Plan. Native char snorkel surveys in the Upper Baker River and in Sulphur Creek are underway with average numbers observed so far in Sulphur Creek and above average numbers observed in the Baker River. Surveys should conclude by mid-December.

Article 105: Downstream Fish Passage - The Lower Baker FSC is under construction and should be ready for operation in spring of 2013. Baker downstream passage set another record for outmigration of juvenile fish: 546,000 total with 470,000 sockeye. The peak sub-sampling day included more than 94,000

fish at Upper Baker. They will discuss the evaluation scheme for UB and LB FSC at the November ARG meeting.

Article 106 - Flow Implementation – The flow implementation plan was filed with FERC the end of September.

Article 108-Gravel: PSE began gravel monitoring September 12 in accordance with the Plan by conducting pebble counts and cross-section surveys to establish a baseline from which to evaluate progress. Time series data may trigger gravel augmentation in the future.

Article 109-Large Woody Debris: PSE has acquired rights to store LWD on private property North of West Pass Dike within Baker Lake as a staging area until it is an upland storage site. So far they have collected 36 pieces. 2013 will be a test year to see how effective we are during the planned May – June collection period.

Article 110-Shoreline Erosion: Swift Creek Campground shoreline erosion project design has been completed and in the permitting phase, construction anticipated in fall 2013.

Article 505 –Aquatic Riparian Habitat: Jacob explained the notification and selection process has been improved based on feedback from last year. So far they have reviewed two preliminary proposals which will be presented at the meeting on Nov. 1. Decisions will be made in the spring of 2013. They are in discussion with the Forest Service regarding a possible modification to the Collection Agreement.

CRAG WORKING GROUP

Elizabeth Dubreuil, Team Lead for the Cultural Resources Advisory Group, explained that License Article 404 (Settlement Agreement Article 201) sets up a Programmatic Agreement and Historical Properties Management Plan (HPMP). These are being executed in consultation with the SHPO, Upper Skagit Indian Tribe, Swinomish Indian Tribal Community, and Sauk Suiattle Indian Tribe, USACE, USFS, NPS. They deal with anything that affects cultural resources – due to ground disturbing activities, shoreline erosion, or building demolition.

The HPMP is over 1000 pages. It outlines how we implement our program and provides comprehensive historic and archaeological resource preservation. This also includes a public outreach program and annual staff training. They are planning to do this for Baker law enforcement personnel in June of 2013. Confidentiality and sensitivity to cultural issues limits distribution of some information.

They are currently meeting as a group approximately every other month. PSE also meets separately with the individual tribes. They conduct surveys within the Area of Potential Effects (APE) to identify and evaluate historic properties (including recently purchased lands for habitat reasons).

The Baker Project includes two historic districts (National Register eligible). One includes the dams and the fisheries conservation facilities (old gulper, fish trap, spawning beaches, etc.). The other district includes the Washington Portland Cement Plant (1905).

The Archaeological District is composed of sites dating from 10,000 – 3,000 years and includes other historic sites. There are 18 archaeological sites along the reservoir.

RRG WORKING GROUP

Pam Garland, Team Lead for this group, reported on recent activities of the Baker Recreation Resources Group (RRG). She explained there are 18 articles related to recreation and aesthetics. Most of these have to do with funding to the Forest Service and annual reporting. All reports were complete by the end of July except Article 301, which is the overarching report that will go out by the end of December. The RRG is currently meeting twice a year (February and October), on the shoulders of the recreation season. For the last two years they have also had field trips in June combined with law enforcement agencies. In June of 2013 there will be a cultural resources training for law enforcement personnel working in the Baker Project area.

PSE has established contracts with the Forest Service and law enforcement agencies, particularly to manage the recreational impacts of the record-breaking sockeye fishery. Law enforcement activities included lake patrols, vessel inspections for aquatic invasive species, etc. At the end of each season they report what went well and what needs to be further addressed with the next season in mind. Potential hazards caused by boats speeding on the lake in the darkness of the wee hours of the morning were raised as a safety issue. Pam assured all that this is part of the discussions.

Other areas of activity for this group include focus on water safety and providing general information, including tear maps, on newly-installed bulletin boards. Article 312 – Developed Recreation Monitoring Funding Plan is out for review.

TRIG WORKING GROUP

Tony Fuchs gave the report on the recent activities of the Terrestrial Resource Implementation Group (TRIG). There will be a November 8 conference call on the subject of ongoing land acquisitions – primarily for elk forage. He showed where these properties are located and described recent activities at each. They are engaged in DNR permitting at the Burpee Hill property (divided up into different management units). Surveys on various habitat and coverage types and amphibian surveys have been completed. Habitat enhancement work is ongoing at Alder Creek (have DNR permit for this). A small timber harvest will occur on October 29 to make it more park-like for the purpose of elk forage.

They are managing tribal and hunting access of the acquired lands. Most management programs have been developed, and the draft Article 508 - Noxious Weed Habitat Management Procedures document will be out for TRIG review soon. As per Article 511 Decaying and Legacy Wood Plan legacy wood trees have been marked for snag development at the Alder Creek Property. According to Article 302 there have been some aesthetics plantings at LB Office.

MAJOR PROJECTS UPDATE

Lower Baker FSC

PSE Project Manager Caitlin Faulkner explained the LB FSC and Net Transition Structure (NTS) were recently moved from temporary mooring locations to closer to the pier. They are working on getting them

permanently moored. During the move, the NTS liner sustained some minor damage (from stumps in the water). They are beginning repairs.

The guide net pieces are being sewn together. Fencing and security are installed at the site. Painting is underway. They will be conducting commissioning through November. Screen balancing occurred in September and endurance testing is scheduled for January 2013 with the goal of the FSC being fully operational in March of 2013.

Cary noted that the Upper Baker net is also being replaced. It is made of dynema - a very durable Kevlar-like material.

Spawning Beach Decommissioning

Anchor has completed the initial design of the desired alternative. They plan to release design drawings in January of 2013 with the aim of being ready to construct in the mid-September to late-October window. Anchor will bring these plans up to a buildable scale. Scheduled to be complete by Nov 1, 2013.

They are currently waiting for proposals for clean-up of lead paint and asbestos found at the site. Caitlin will work with the Forest Service to get them the information they need to do their 4(e) review and Notice to Proceed this winter. Jon explained this would include a description of what will be occurring on the ground and exactly where (any ground or vegetation disturbance). They need a reference to known points. The Notice to Proceed will go through Carol. Jeremy is reviewing this from the fish perspective.

New Lower Baker Powerhouse

Tom explained the new powerhouse has been under construction since the end of 2010 and is on track to be online by August 21, 2012. There is some flexibility with this date as there is an incentive for contractor to finish early. They will start dry testing in February, 2013 and then do the wet commissioning in March – April timeframe. They will be bringing in the generator to install in the next couple of months.

PROJECT EVALUATION PROCESS

This document was first presented at the October 2010 BRCC meeting. It addresses Article 602 - Evaluation Process for Use of Baker Funds: Guidelines for Project Approval. It outlines a framework to guide the expenditure of Article 602 funds and to help evaluate / prioritize competing projects.

Tom walked everyone through the most recent draft of the document and expressed appreciation for feedback received from the Forest Service on this at the last RRG meeting. Discussion included the following:

- It would be helpful to describe the nexus to the project and a description of the nature of the change – potential effect.
- Need to define the meaning of “substantial” – changes to scope, budget and schedule –
 - Add “priorities” to “scope and budget and schedule”
- Would PSE withhold money if project not completed?
- If monies not all spent can they be reallocated?

Cary reminded everyone that Article 602 describes fund disbursement. Next steps: Tom will send out a revised draft by mid-December for all to review.

COMMISSIONING AND POST-COMMISSIONING 2013

Tom explained the context here is Article 106 - Flow Implementation and ramping rates.

As they go through the wet test process for Unit 4, PSE is evaluating how effectively the controller is at controlling ramping rates. This is a complicated process because of the software programming and control systems. They want the unit to operate correctly and within the ramping rates as laid out in the license. They are going through a commissioning procedure. They plan to be online the summer of 2013 with a goal of having no excursions.

PSE is also working internally on an excursion reporting process to meet the 24-hour notification process to FERC and other agencies. PSE is operating 24/7 so the process needs to be robust enough to ensure the notifications would be triggered even on weekends.

Steve Franzen pointed out that the USGS gage is evaluated to be 95% accurate, and thus false excursions might end up being reported. Jory Oppenheimer is currently evaluating this issue to try to separate out what the Lower Baker units are doing vs. what the river is doing. Tom will follow up with Jory and Steve on this.

USACE GENERAL INVESTIGATION

Dan Berentson explained that General Stockton reviewed the Corps Nationwide Portfolio and found 365 of the 653 Feasibility studies to be active. Of the 68 studies that have been ongoing for more than 10 years only 9 were deemed eligible to proceed. The Skagit GI was selected as one of these. The new Corps rule calls for completing the GI within: 3 years, \$3 million, and 3 inches of report.

The Skagit folks participated in the first national charette. This provided a venue for them to reduce their GI to 5 pages or less on what they planned to do. A project delivery team put measures together for 6 alternatives. They made many public presentations of these and have reduced the 6 alternatives down to three. They are now at a 10% design stage for these 3 alternatives. A community-preferred alternative will be identified in 18 months

Dam storage is a measure on all 3 alternatives – 29K acre/ft hard storage at Lower Baker. Skagit County asked the Corps and PSE how much hard storage is available without modifications to the dam. PSE said 20K acre/ft would be possible. PSE would be compensated for lost generation and lost capacity. PSE has provided Skagit County and the Corps with some of the associated costs over the 50 year license span of the project. There have been several meetings with the Corps and PSE on this issue. The Corps is evaluating the benefit to this measure in terms of flood damage reduction.

Chuck exclaimed: For the first time in Corps history people are asking us to slow down!

FISH, FLOODS, AND FARMLAND INITIATIVE (3FI)

Dan also shared that he is working with this recently-formed group to create and advance mutually beneficial strategies that support the long-term viability of agriculture and salmon while reducing the risks

of destructive floods. Members of this group include The Nature Conservancy, Western Washington Agricultural Association, Skagitians to Preserve Farmland, Washington Department of Fish and Wildlife, NOAA, Skagit County and Dike and Drainage District 17.

He further explained the Ag community is interested in interior drainage. There are 66K acres of farmland in the Skagit Delta. The County has strict zoning compared to other counties.

MEETING EVALUATION

Well Done

- Great attendance and participation
- Good updates of license implementation activities
- Facilitation was “adequate”

Do Differently

- Address challenges with technology
- Meet at Skagit Service Center in Burlington in May
- Need more analogies from Cary