Hydro Power License Stakeholder Advisory Group – Meeting Notes
Date: August 12, 2015
Place: Radisson Hotel, Sea-Tac, Washington

Summary of actions

Item	Action
Skeleton outline	Comments due back to Neil by Friday August 21 (modified – initial deadline was 8/19)
Draft report/recommendations	The agencies will produce a draft for the September meeting.

Welcome/Introductions/Agenda Review
The meeting was called to order at 10:00 a.m. by facilitator Neil Aaland. Introductions were made around the room. Neil asked for feedback on identifying speakers in the meeting notes; participants preferred that speakers be identified, to the extent possible.

Feedback received on possible fee structures
Justin Allegro combined into one document the various responses received to the e-mail sent out asking for feedback from stakeholders. This was sent yesterday to the group by Neil. He asked for reactions from stakeholders:

- Tim Culbertson said he is struggling with the proposal from Grant PUD. He stated that his utility does not use state water, and won't need re-licensing for 17 years. This proposal would be a ten-fold increase in their costs.
- Rose said Avista articulated it well, the phased approach is complicated
- Kim pointed out that 3 utilities want to change the approach, others want to keep the current fee system. They agreed with Avista.
- Rich asked what consensus would look like regarding a proposal
- Don Seeberger said from his standpoint it would be mutual agreement; support or stand neutral, and not opposing legislation

Neil asked participants if what they had read and heard today changed anyone's perspective. Nobody offered that this was the case. John Armstrong said there I still some disagreement on whether this is fee for service versus a pooled service. Don said he views this as a pooled service.

Other comments and discussion:
- Tim probably agrees with Douglas in letting this sunset, but he can't support the Grant proposal
- Ross said it used to be a fee for service; if the fee goes away, they would all just go into a line
- Don explained that what would go away in Ecology is the ½ FTE in each regional office plus Chad's time; 401 work would become categorized with others
- Brenda offered that the agencies are needed throughout the year
- Rich said his goal is to see the capacity stay
- Julie mentioned this biennium their staff costs are going up, which means even with a steady amount the capacity will decline

Justin asked what people thought about the third proposal, tweaking the current fee structure. He looked at the amount of funding currently being received, and then tried to reduce the highest rate based on horsepower. Mark did not see any justification for doing that. Tim also questioned the basis for tweaking.

Neil asked WDFW and Ecology staff if they had any questions of the group. Don commented that he was not sure there is any agreement. Ross asked what the current budget proviso directed; Justin read it aloud

to the group. Don said originally the agencies just suggested removing the sunset date. Kim said the agencies have reported that only 50% of the costs are covered by the fees. We need to remember going into the next legislative session that the trend these days is to cover all permit costs with fees. Don said after today's meeting they'll be updating Reps. Fey and Short to let them know the progress of this effort. Brenda encouraged the group to strive to get to consensus,

Michelle suggested there may be areas where we might have some agreement. Her thoughts:

- "Sunset" doesn't necessarily mean the end, but rather it means a re-evaluation, perhaps within 10 years
- $518,000 is the dollar amount we're discussing
- Question is the structure of how we get to that amount

Comments on her points:

- Sunset also has to have an "off-ramp" as some point
- John Armstrong supports an inflation adjustment to maintain the current level
- Dawn mentioned several new projects may add more funding
- Kim suggested staying away from COLA discussions

A lunch break was taken at noon.

After re-convening, Neil explained that the utilities had a private discussion over lunch to see if they could come to any agreements among themselves. They want to continue those discussions, so the meeting from here will focus on agenda topic #2 (transparency and accountability) and we will seek to adjourn by 2:00. The utilities will stay after adjournment and continue their off-line discussion.

Neil asked for feedback on the roll-up of comments received on accountability and transparency. Comments and discussion points included:

- Michelle noted that several things leapt out at her:
    - Notion of the "report card"
    - Coding and tracking the time
    - Annual check-in
    - Training for agency staff (laws and regulations)
- A point of contact within the agencies, one person, is important
    - Rose thinks this person has to be someone who can get an answer to a question, and the answer is documented
- The report should be simple and easy to administer
- Speed thinks the report card is not detailed, builds up to an annual meeting
- Marcie thinks the report card isn't intended to replace communication; it's meant to address issues in a meaningful way
- Rose asked what part of these responses gave the agencies heartburn?
    - Don said the detailed time tracking – the agencies are concerned about the complexity to achieve this
    - Justin needs to check and see if there are any concerns about the report card as related to the collective bargaining agreements
- Brenda asked if the agencies have their own ideas on process improvement
    - Justin said the two way street concept resonates with him

Chad is thinking about a report where there would be recommendations from this group, and the agencies would respond within the report.

Summary from Michelle:

1. There can be improvement; she likes putting them into the four areas

    a. Annual accountability
    b. Day to day accountability
    c. Biennial accountability
2. Making sure the accountability is happening annually, day to day – there is some responsibility on both sides to be sure it's happening

She wanted to know where we have landed regarding a report card. Neil heard there's an attraction to something like a report card; but agencies need to check on collective bargaining agreements. Julie mentioned there was flexibility about what this report card entails, might be meetings. Justin said the things we can agree to should be in section 7 of the report; not necessarily in the legislation.

Tim suggested that a third party could be used if the utility and agency don't agree that there is a problem; similar to what BPA does. Others were not sure that is needed.

Summary/Next Steps

1. The group will provide feedback on the skeleton outline by Friday, August 21.
2. The agencies will work on the draft report for the next meeting. It will address transparency, accountability, and fees.

The meeting adjourned at approximately 2:00 pm.

The next meeting is scheduled for September 16, 2015 at the Chelan PUD office in Wenatchee, Washington.

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Attendees:

In-person	
Neil Aaland, Facilitator	Justin Allegro, WDFW
Chad Brown, Ecology	Don Seeberger, Ecology
Tim Culbertson, CB Hydropower	Julie Henning, WDFW
Larry Thomas, CB Hydropower	Marcie Steinmetz, Chelan PUD
Michelle Smith, Chelan PUD	Dave Arbaugh, Chelan/Snohomish PUDs
Rose Feliciano, Seattle City Light	Speed Fitzhugh, Avista
John Rothlin, Avista	Rich Bowers, Hydropower Reform Coalition
Ross Hendrick, Grant PUD	Dawn Presler, Snohomish PUD
Brenda White, Snohomish PUD	Diane Carlen, TPU/Cowlitz/Lewis PUDs
Andrea Matzke, Wild WA Rivers	Kim Clausen, PSE
Todd Olson, PacifiCorp	John Armstrong, SCL
On phone:	
Christine Brewer, Avista	Mark Cauchy, Pend Oreille PUD
Bob Turnmire, City of Centralia	