



# SKAGIT COUNTY PUBLIC WORKS DEPARTMENT

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June 17, 2015

Colonel John G. Buck  
Commander and District Engineer  
U.S. Army Corps of Engineers Seattle District  
PO Box 3755  
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Colonel Buck,

The Skagit River General Investigation's Feasibility Phase began in 1997. Through the study's cost share agreement and subsequent amendments, Skagit County and the Corps agreed to a \$14,465,180 total study cost with the Corps serving as the study lead and the County serving as the nonfederal sponsor. After 18 years and reaching the lid of the cost share agreement, we are still awaiting a final plan.

In April 2012, the Corps reinvigorated the study with the 3/3/3 rule, meaning feasibility studies would be completed in three years, for three million dollars, while integrating the three levels of the Corps. Skagit County agreed to this process and contributed our final \$1,500,000 of the total study costs in cash.

Skagit County, the Washington State Department of Ecology, and contributions from cities and dike districts funded the nonfederal portion of the study costs. These contributions came at a cost to all partners. The County, for example, can typically leverage funds at a 10 to 1 ratio for road and bridge projects. During 2014, the Engineering Division of Public Works completed \$8,000,000 worth of projects with \$800,000 of funding.

The study progressed through numerous milestones under 3/3/3 including the Agency Decision Milestone in October 2014. At this meeting, the Seattle District presented the study's targeted completion as on time and on budget to a senior panel of Corps leadership. However, in January 2015, the Seattle District asked for the County's support to a waiver to the 3/3/3 rule, for both cost and schedule.

In January, the Corps requested an additional \$420,000 from the County. In February, the request was \$770,000. Finally in March it was \$810,000. The County was told the Corps had moderate (60%) confidence in this cost estimate and there were no guarantees that this would bring the study to completion as there were still risks with the scope and budget. The County declined to support the waiver, reiterating our support for the 3/3/3 rule. The County later learned, through a letter from Congressman Larsen and Congresswoman DelBene, that the Seattle District had known about the need for a waiver for over a year, making the project timeline presented at the Agency Decision Milestone disingenuous.

Under the Corps own 3/3/3 guidance, if the study team is not going to meet the study's schedule or cost goals, the study team should re-scope in order to meet the deadlines. However, with the Seattle District's request for a 3/3/3 waiver, the study team made the assumption that there would be no change in scope. This is against the purpose and intent of 3/3/3. The County suggested the Corps minimize the impacts of the project or narrow the scope, but met resistance to any form of adaptive management.

The County suggested the Seattle District examine dam storage at PSE's Baker Project, a standalone measure that has longstanding support from the County, cities, dike districts, transportation agencies, and communities that sit downstream of the dams. After the District's review, you stated there is no federal interest. The County is only aware of a brief qualitative analysis; we are not aware of any completed benefit cost ratio, which would be imperative to a true quantitative analysis.

The Seattle District has cited concerns by the tribes over impacts to hatchery sockeye and the ongoing costs of dam storage. The County has always accepted that dam storage is an Operation and Maintenance cost, and therefore 100% of dam storage would be a cost our basin would share. The coalition of agencies that support dam storage would be willing to pay for the Corps and PSE to implement flood storage, thereby decreasing the impacts of small to moderate floods. However, the storage can only be implemented at the "direction of the District Engineer, Corps of Engineers...after suitable arrangements have been made" to compensate PSE. Again, funding PSE is not the issue, it's getting the Seattle District to do a true analysis on the benefits and costs that has proven to be the hurdle we cannot overcome.

On May 21 your correspondence stated the Corps is presently operating Upper Baker pursuant to 107(a) in PSE's FERC license, but later you stated you do not have the authorization to pursue 107(a) so we are unclear if you are or are not implementing this measure. A true quantitative analysis of the benefits and costs of implementing 107(a) and 107(b) would advance the flood risk reduction goals for Skagit County; we encourage the Seattle District to pursue this analysis to see if implementing this measure is truly in the federal interest, within any process you see fit.

A true analysis is even more imperative when PSE's Interim Protection Plan terminates with the completion of Turbine 4. When this turbine is complete, the residents of Skagit County will have a decreased amount of flood storage at the Baker Project, going from 115,000 Acre Feet of Storage available by October 1, to only 74,000 Acre Feet of storage available by November 15.

The County now faces managing flood risk in the basin outside of the General Investigation. The County will finalize our Comprehensive Flood Hazard Management Plan, working with stakeholders in the basin, while the Cities and Dike Districts work to maintain and improve their infrastructure.

Sincerely,



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