PUGET POWER

January 3, 1983

Mr. George M. Dynes
Skagit River Flood Control Committee
2210 Riverside Drive
Mount Vernon, Washington 98273

Dear George:

It was good to hear from you and your associates of the Executive Committee of the Skagit River Flood Control Committee. Puget Power's interest in flood control in the Skagit Valley remains high. We were pleased to be able to finally execute an agreement with the Corps of Engineers and BPA in mid-1980 for the additional 58,000 acre-feet of flood control storage at Baker Lake. The several years of implementation of this program has proven the wisdom of the plan. However, we realize that despite this added storage, substantial flooding still occurs. Thus, we are certainly in sympathy with the objectives of your Committee to gain added flood protection for the Skagit Valley.

Puget Power has followed, with a great deal of interest, the many proposals over the years for multiple purpose development of the Sauk River. My staff has reexamined both the flood control and hydroelectric potential of the Sauk-Suiattle system in light of your letter. In addition, we have reviewed the status of flood control in the Lower Skagit Valley in conjunction with the Corps of Engineers and Seattle City Light. I would like to share the results of this staff study with you.

In regard to the provision of additional flood control protection to the Lower Skagit Valley, the generally preferred alternative according to the Puget Sound and Adjacent Waters Study conducted by the Pacific Northwest River Basins Commission in 1970, was to utilize a combination of upriver storage and various downstream channel improvements--including the Avon bypass or its equivalent. Both Puget's Baker River Project and the City of Seattle's Ross Reservoir are already providing a very significant element of upriver storage at the present time, but major tributaries remain uncontrolled. Prior to the designation of the Scenic/Recreation River status under the Wild & Scenic Rivers Act to the Sauk-Suiattle River System, the Corps had identified a proposed Lower Sauk Reservoir as the third and final element of upriver storage in the Skagit River Basin. Although other potential storage elements exist in the Sauk-Suiattle watershed none of these, either individually or in combination, offer the potential flood control storage volume or joint control over both the Sauk and Suiattle watersheds, as does the proposed Lower Sauk Project.

The Lower Sauk Dam, as we understand it, is envisioned as a multiple purpose flood control/hydroelectric facility. It would utilize a dam in excess of 210 feet in height on the Lower Sauk River at about River Mile 5 and would have

P 003612

96 MW of installed capacity and produce an estimated 482,000,000 kWh/yr of electrical energy. This dam would create an impoundment of 695,000 ac-ft with a surface area at maximum pool elevation of approximately 6,700 acres. The impacts of such a project would be considerable. The impoundment would extend approximately fifteen miles upstream to the City of Darrington and would require the relocation of sixteen miles of SR 530 as well as many more miles of secondary roads, the replacement and/or relocation of two major highway bridges, relocation of ten miles of Seattle City Light's 230 kV lines, and require the displacement and in all likelihood the condemnation of several hundred residences and summer homes.

In our experience, a dual purpose project such as the Lower Sauk Dam invariably optimizes neither flood control nor power production. Peak power capability, as well as energy production, during the high demand winter season is directly reduced in proportion to the flood control storage provided. The reduced power benefits combined with the greater costs of a high dam would seriously threaten the economic viability of such a project. In addition, in this particular case, the very significant sediment loads of the Sauk and Suiattle Rivers could result in serious reservoir sedimentation problems, cause excessive wear and tear on the turbines and could create serious water quality problems downstream of the facility.

The anticipated impacts of such a project on the salmon and steelhead fisheries of the Skagit, Sauk and Suiattle Rivers and the costs of their mitigation would also be considerable and cannot be ignored. The problem of native American fishing rights would be certain to become a central issue. The uncertainty surrounding this issue alone was a major element in Seattle City Light's decision to drop the proposed Copper Creek Project on the Skagit River. It would be no less of an issue for a Lower Sauk Project. These fisheries issues, raised by the Tribes and the agencies, have been serious roadblocks to the development of even small scale hydro proposals.

From the legislative standpoint, the existing scenic and recreational river status of the Sauk-Suiattle River System under the Wild & Scenic Rivers Act could prove a most intractable problem even with the unified support of the State's congressional delegation and local citizens. At the December 7, 1982, meeting of the Skagit County Commissioners in Mount Vernon, the Corps publicly reiterated that, as a federal agency, they are prohibited from engaging in any engineering studies relative to a Lower Sauk Project without the express approval of Congress. Almost simultaneous with the Corps announcement, the U.S. Forest Service published their draft plan for the management of those reaches of the Skagit-Sauk-Suiattle System protected by the Wild & Scenic Rivers Act. It is quite clear that the Forest Service is prepared to manage the system as envisioned under terms of the Act and that those terms expressly prohibit such a development as the proposed Lower Sauk Dam.

Under the existing regulatory and political circumstances, it would thus appear that developing such a project would be extremely difficult--to say the least. Frankly, George from the situation as we understand it, I just don't believe that a Lower Sauk Project is "doable" at the present time. However, you can be sure that we are willing to work with your group on any reasonable flood control programs.

If you have further questions concerning this matter, please feel free to contact me or Bill Finnegan at 451-3007.

Very truly yours,

John W. Ellis
President