

*Settlement Agreement Article 107*

**Article 107  
Flood Storage**

- A.** The licensee shall so operate the Upper Baker River reservoir as to provide each year 16,000 acre-feet of space for flood regulation between October 15 and March 1 as replacement for the valley storage eliminated by the development. Utilization of this storage space shall be as directed by the District Engineer, Corps of Engineers. In addition to the above-specified 16,000 acre-feet, the licensee shall provide in the Upper Baker River reservoir space for flood control during the storage drawdown season (about September 1 to April 15) up to a maximum of 58,000 acre-feet as may be requested by the District Engineer, provided that suitable arrangements shall have been made to compensate the licensee for the reservation of flood control space other than the 16,000 acre-feet specified herein.
- B.** Additionally, from October 1 to March 1, licensee shall operate the Lower Baker storage reservoir to provide up to 29,000 acre-feet of storage for flood regulation, at the direction of the District Engineer, Corps of Engineers, acting on behalf of the Secretary of the Department of the Army, subject to the following: (i) such storage shall be provided only in accordance with arrangements that are acceptable to the Corps of Engineers; and (ii) such storage shall be provided only after suitable arrangements have been made to compensate the licensee for the 29,000 acre-feet of storage for flood regulation specified herein.
- C.** Licensee shall consult with the ARG, and specifically Skagit County and the Corps of Engineers, to develop means and operational methods to operate the Project reservoirs in a manner addressing imminent flood events and consistent with the requirements of the license. Appropriate means and methods may include, without limitation, additional reservoir drawdown below the maximum established flood pool. Licensee shall submit a report to the Commission within three years following license issuance describing any operational changes developed as a result of this consultation.