

Columbia River Policy Advisory Group
Olympia, Washington
April 18, 2007

San Joaquin River Restoration

The meeting began with an in-depth panel briefing on the San Joaquin River restoration project. Bill Swanson of MWH Global introduced the panel by noting that the San Joaquin Valley, which produces half of the nation's fruits and vegetables, is experiencing rapid population growth. There are multiple and increasing demands for the river's waters. Monty Schmitt, lead scientist for the Natural Resources Defense Council described the protracted 18-year litigation over species protection in a 150 mile stretch of the San Joaquin River. In the fall of 2006 the parties reached a settlement that involved a phased reintroduction of spring salmon to the river. The settlement included water supply studies, pilot projects, flexibility in managing flows, funding and legislation. Ron Jacobsma, manager of the Friant Water Authority described the concerns that the farmers had with flood control, a reliable water supply, and water management. Friant's members eventually concluded that it was better to secure funding and legislative guarantees than to continue with the uncertainties of litigation. Friant continues to pursue an upstream storage project to aid with future water supplies, a project that NRDC does not support.

Jason Phillips, project manager for the Bureau of Reclamation, then outlined the difficulties that faced BoR in implementing the settlement. The decisions from the settlement were reached in isolation from other parties. Now BoR is committed to a significant amount of work without having all external parties on board. The project is built around very aggressive timelines, and it will require extensive stakeholder participation.

Status Reports

Tom Tebb described Ecology's water rights inventory project. The 2006 inventory estimated many more existing water rights, new applications and change documents than the 2007 inventory will include. With the completion of the EIS and completion of the mapping, Ecology has been able to narrow the universe of water rights. The data in the inventory are the drivers of Ecology's workload. The workplan should be complete by the end of June.

In response to questions from the PAG, Tom indicated that Ecology will pursue conservation and a water auction before issuing new permits and that the information from the inventory will be used to inform storage considerations.

Gerry O'Keefe announced that negotiations over a Voluntary Regional Agreement with the Columbia-Snake River Irrigators Association had concluded. The proposed VRA will shortly go out for public comment.

Tom Tebb then briefed the PAG on Ecology's plans for metering. The first phase of metering, which begins at the end of April, will focus on the biggest bloc of water users, comprising 70% of total diversions situated around the Tri-Cities. Ecology will send letters to approximately 150 users requesting voluntary compliance and informing them that \$1 million is available to offset the cost of metering.

These points were made by PAG members during the discussion:

- We need a feedback loop to the PAG on public reaction to Ecology's outreach on metering. This should be a subject at the next PAG meeting.
- Metering has already been underway in 16 critical basins, with 90% of the users participating.
- Ecology is now looking at the integrity of the available information and information management issues. It perceives a diminishing return in going beyond 90% compliance.
- Ecology needs to weave in a message in its outreach letter indicating that this is a court-ordered activity. It also needs to coordinate its message with the area conservation districts.
- There should be a discussion of how to apportion money to users who are not in the first phase. If the funding plan is first come, first served, what will the impact be on phases two, three and four?

Funding

Dave Burdick reviewed a set of materials related to project funding criteria and the funding process. The discussion that ensued covered the following points:

- The early involvement of local watershed review and comment is a welcome addition to the funding template.
- It might be useful to leverage other monies by requiring joint funding. Ecology plans to fit the funding percentage to the percentage of water reaching the Columbia River. Ecology might want to rethink this idea, insofar as there might be good projects that would not be funded simply because water wasn't returning to the Columbia.
- Ecology intends to acquire water via an auction. Ecology will be attentive to local WRIA input on the auctions, but it does not think a WRIA could stop a private individual from selling water.
- Counties are less interested in a veto over acquisition than they are in notification. County commissioners may want to keep water in their watershed.
- We need to be careful about the legal requirements for transfer. There is a lot of on-going work matching up willing sellers and buyers. There is concern that Ecology might just dump an auction on top of this work, causing problems. The bottom line is that more homework is needed before Ecology undertakes a water auction.
- Some of the terms of the grant pre-application template are ambiguous. It is not clear what Minimum Criteria means. It is not clear what Harmonized means. It is

not clear what Consideration of the Ability of High Scoring Projects to Deliver Water means. Additional work is needed to clarify these terms.

- There is a need to consider the instream flow needs of a given geographic area. It might be useful to deal with this issue sooner in the application process.
- Ecology has assumed that a return of water to the Columbia River is essential for funding eligibility. There is more flexibility in the Columbia River bill than Ecology is using. Ecology is getting stuck in too narrow an approach.

After the discussion, the PAG agreed with these points:

1. PAG members can continue to make comments on the funding process up to the June meeting. At that point, Ecology will finalize the process.
2. Ecology will distribute an early project list to the PAG within two weeks.
3. A water auction is not yet ready to go. It needs more homework.
4. The PAG is okay with going forward with the first funding round and deriving lessons from it for future rounds.

Columbia River Summit

Tom Tebb discussed the latest draft agenda for the Columbia River Summit. There is no date set for the Summit; this depends in large part on the Governor's availability. The current thinking is to hold the summit in the Tri-Cities or possibly Wenatchee.

PAG members made these observations:

- The expanded panel membership is a good improvement over the initial draft.
- The purpose of the summit is still not clear. Why will people come to it; what will they get?
- It might be useful to split off new storage from the rest of the agenda; otherwise concerns over large storage projects might overwhelm other parts of the agenda. At the very least, Ecology needs to have a plan for how to deal with these concerns, in the event they arise.
- Cities along the Columbia River have a need for this summit as it will provide a good opportunity for them to see how their particular interests are being dealt with.

Policy Guidance and Rulemaking

Derek Sandison briefed the committee on Ecology's current thinking about how to implement the preferred alternatives from the EIS. Ecology is contemplating rulemaking for two of the alternatives and developing policy guidance for the others.

One subject for potential rulemaking is GUID-1210 to calculate net water savings from conservation. Several PAG members suggested that GUID-1210 might not be the best tool; it might be useful to allow other tools, such as one developed by the Benton/Franklin Conservation Board. It might also be useful to maintain flexibility

through policy guidance rather than a rule. Before moving forward with a rule, Ecology should consult in-depth with the Department of Heath regarding conservation policy for cities. If Ecology decides to go forward with rulemaking on the calculation of net water savings, it would seek a negotiated rule.

The second preferred alternative for which Ecology is considering rulemaking is coordinating VRA mitigation and processing new water rights. Ecology believes there is a general consensus that any party who voluntarily steps out of line should be treated fairly when they return to line.

At this point the discussion turned to a broader consideration of rulemaking. PAG members from environmental groups have been discussing the tradeoff between the workload and potential havoc of rulemaking versus the desirability of certainty on some aspects of the preferred alternatives. Policy guidance might not provide this certainty. Members expressing this perspective believe that it would be useful to see how the policy guidance develops and then get clarity on rulemaking. Ecology should not prematurely close the door on rulemaking. There seemed to be general PAG agreement that this was a useful way to proceed.

Next Meeting

The next CRPAG meeting will be on Wednesday **June 6 at the Department of Ecology's Yakima Regional Office, beginning at 9:00 a.m.**

The following people attended the meeting:

PAG members:

- Max Benitz, Benton County Commission
- Jon Culp, Washington State Conservation Commission
- Dick Erickson, East Columbia Basin Irrigation District
- Jim Fredericks, U.S. Army Corps of Engineers
- Bill Gray, Bureau of Reclamation
- Michael Garrity, American Rivers
- Bob Hammond, City of Kennewick
- Michael Mayer, Washington Environmental Council
- Gerry O'Keefe, Department of Ecology
- Darryll Olsen, Columbia-Snake Rivers Irrigators Association
- Merrill Ott, Stevens County Commission
- Lisa Pelly, Washington Rivers Conservancy
- Eric Quaempts, Confederated Tribes of the Umatilla Indian Reservation
- Phil Rigdon, Yakama Nation
- Derek Sandison, Department of Ecology
- Dave Sauter, Klickitat County Commissioner
- Mike Schwisow, Columbia Basin Development League

Teresa Scott, Washington Department of Fish and Wildlife
Rich Stevens, Grant County Commission
John Stuhlmiller, Washington Farm Bureau
Rob Swedo, Bonneville Power Administration
Tom Tebb, Department of Ecology

Others in attendance:

Neil Aaland, Washington State Association of Counties
Bob Barwin, Department of Ecology
Dave Burdick, Department of Ecology
Lisa Ganuelas, Confederated Tribes of the Umatilla Indian Reservation
Kirby Gilbert, MWH Global
Jennifer Hudson, Confederated Tribes of the Umatilla Indian Reservation
Steven Hughes, URS Corporation
Ron Jacobsma, Friant Water Users Authority
Al Josephy, Department of Ecology
Kris Kaufman, Water Rights, Inc.
Paul LaRiviere, Washington Department of Fish and Wildlife
David McClure, Klickitat County, WRIAs 30 and 31
Elizabeth McManus, facilitator
Peggy Miller, Washington Department of Fish and Wildlife
Steve Nelson, RH2 Engineering
Jason Phillips, Bureau of Reclamation
Tom Ring, Yakama Nation
Pat Ryan, Washington Department of Natural Resources
Cathy Schaeffer, Walla Walla County/WRIA 32
Monty Schmitt, Natural Resources Defense Council
Harry Seely, West Water Research
Dan Silver, facilitator
Paul Stoker, Groundwater Management Area
Bill Swanson, MHW Global
Michael Taylor, Cascade Economics LLC
Steve Thurin, HDR Engineering