

## **Columbia River Policy Advisory Group May 22, 2014**

The meeting began at 9:30 a.m. Facilitator Neil Aaland reviewed the agenda. Introductions were made around the room.

### **Icicle Creek Comprehensive Water Resource Strategy**

Mike Kaputa, Chelan County Natural Resources Director, and Tom Tebb, Ecology CRO Regional Director, gave this presentation. [The PowerPoint presentation is on the OCR website: <http://www.ecy.wa.gov/programs/wr/cwp/images/pdf/5-14IcicleCreek.pdf>]. Mike reviewed the membership of the committee and the committee's vision statement. A wide variety of interests view this watershed as very important. The litigation history has been extensive. This is the third effort in recent years to prepare a strategy for Icicle Creek. There are a set of guiding principles, and the committee is working on metrics to be used in assessing progress on the principles. Mike then reviewed the timeline. The first meeting of the Icicle Workgroup was December of 2012. The overarching goal is to develop an integrated project list and proceed to SEPA scoping in 2015. There have been some difficult times during this process, but Mike believes they have turned a corner and are making great progress. Mike reviewed a list of appraisal-level specific projects under consideration.

Tom Tebb said that Ecology has been involved in the effort for over a decade. There are a lot of complicating factors including the hatchery, the old channel, antiquated structures, stringent TMDL, and water quality 401 certification requirements. Ecology is hoping this effort will have enough incentives for everyone.

Dale Bambrick, NMFS, said this seems doable, especially when you consider the size of the Icicle watershed compared to the Yakima watershed.

Neil Aaland asked about the issues related to plan development. Mike said there is a 15 year history of work to try and develop solutions in this basin. Tom said they had to build trust; it's been a "basin full of litigation." Dale said a big issue has been the hatchery; they've needed to own their mistakes over the years.

CRPAG members and the audience had no further questions.

### **Projects proposed for funding in next biennium**

Derek Sandison, Office of Columbia River, discussed projects proposed for funding in the 2015-17 biennium. A proposed list will be submitted to the Governor's Office in September; the Governor's capital budget will be released in December ahead of the state legislative session. In 2006, the legislature provided a set of directives in the authorizing Columbia River Basin Water Supply legislation, and a budget of \$200 million. There will be about \$10 million left at the end of 2015-2017 biennium. Today's discussion is a list of preliminary thoughts about projects to include for the upcoming biennium. [See Derek's PowerPoint presentation at <http://www.ecy.wa.gov/programs/wr/cwp/images/pdf/5-14CapBudgetProj.pdf>]

- Lake Sullivan: the last \$2million (out of \$14 million total) is proposed for funding a replacement project for Moses Lake Irrigation and Reclamation District north dam replacement. OCR is still waiting for construction of a release pipe for Lake Sullivan, which has been delayed, and so can't release the final payment. The governor's office, in

consultation with legislators, decided it would be appropriate to divert this final payment to the north dam replacement project.

- Coordinated conservation: Fund three Columbia Basin irrigation districts to implement conservation projects
- Icicle Watershed: begin implementing the project list being developed through that process
- Walla Walla integrated plan: begin implementing an integrated project list to restore stream flows in the Walla Walla River
- Methow Valley Irrigation District: another ongoing project, some residual work needing to be done. OCR is hoping in the process to help the town of Twisp with their water supply issues. They hope to have the MVID off the Twisp River within two years
- Fortis, B.C. feasibility study: project coming out of the West Coast Exchange infrastructure work. Main OCR interest is looking at reliability and the effects on the Okanogan River – can they do things like improve temperature in the river? Michael Garrity is concerned about spending OCR funding to make this project happen, seems similar to the Shanker’s Bend project several years ago
- Horse Heaven Hills/Switzler Canyon: an ongoing project. Continued evaluation of a potential project site.
- Several smaller ongoing projects including Stemilt WRIA 40A small scale storage feasibility, Walla Walla leased water, Lake Roosevelt Incremental Storage Releases program
- Several new projects including water acquisitions and leases, upcoming supply/demand forecast, Columbia River off-channel storage, new water supply development projects

CRPAG members and the audience had these questions and made these observations:

- OCR used to produce maps of instream and out-of-stream- water resulting from the program; will these be updated? [These are updated and on the OCR website; Derek will bring to the August meeting]
- Is \$40 million committed for the Walla Walla pump exchange project? [They had two years to get the project together and did not make that deadline. OCR is still committed to working with Walla Walla and make something happen; the pump exchange may come back as a modified project]
- The project list here is over \$10 million [these projects are included in the estimate, \$10 million is available after these projects are funded]
- Will this list sell with legislators? [One can never tell; all we can do is follow the legislative guidance]

### **General Updates on Funded Projects**

Derek talked about the following projects:

1. Environmental feasibility study to look at Kachess drought relief pumping plant – for use in drought years. It will look at accessing water below the level of the existing reservoir outlet works. This project is associated with the “K to K” project, which will be able to move water from Keechelus Reservoir to Kachess Reservoir. This study is on schedule to complete in 2015.
2. Lake Cle Elum – final design of Cle Elum fish passage is underway. It would be good to have a full presentation on this project for the PAG. This is a difficult project, trying to maintain fish passage on a lake with a level that deviates up to 80 feet during a season.
3. Odessa – Craig Simpson provided an update. The coordinated conservation project has about 5,000 acres worth of water that is available, have signed an agreement with the

Bureau of Reclamation. They are in the process of doing an MOU between the Bureau, Ecology, and the three districts, and hope to have contracts signed and water delivered in the Odessa area for this summer. The incremental widening of the Weber system has been finished. For the Lake Roosevelt Incremental Release project, there is a signed contract with the Bureau of Reclamation. Stephanie Utter added that this water is intended to be replacement for Odessa groundwater, and they need to add eligibility criteria for the contracts.

4. Walla Walla – working with the partnership and the watershed council to review some earlier projects, and looking at some additional projects to improve flows on both the mainstem and tributaries.
5. Red Mountain AVA – Kennewick Irrigation District project where the diversion was moved downstream to Kiona, from Prosser area. This helped open up some wine grape acreage. The project will be fully completed in July 2014; they will be doing some final testing in the fall.

**Discussion: Funding for the Columbia River Program (continuation of discussion from December and February CR-PAG meetings)**

Neil introduced the topic and the panelists. This is the third panel that the PAG has heard on this topic. Each time the scope has been narrowed. Panelists are Derek Sandison, OCR; Senator Jim Honeyford; Michael Garrity (sitting in for Jay Manning); and John Stuhlmiller, Executive Director of the Washington State Farm Bureau. Derek provided some background. We are now dealing with the future of a program created in 2006. It was created with a five-biennium horizon, although there is no automatic “sunset” specified in the law. Many policy issues had to be addressed during the first several years. A lot of the bigger projects have a federal nexus; at this point we are getting a sense of the future federal budget as it relates to this program.

Senator Honeyford sponsored a bill in the last session that would have established a task force to study large infrastructure, including flood management and stormwater control as well as water supply. We need to think about how to move forward beyond the 15-17 biennium, especially in common with other large infrastructure projects.

Senator Honeyford spoke next. He had a bill as Derek mentioned, but it did not pass. It addressed water supply, stormwater control, and flood management. A couple of weeks ago there was a House Capital Budget hearing on these topics. One suggestion made was that any future funding would be split in thirds for each of those. Following the hearing, a smaller meeting was held to further discuss this topic. The state may limit its participation to paying 50% of the costs. The Nature Conservancy discussed its survey, which found that people were willing to pay up to \$30 for additional taxes to support work on these issues. One group is currently working on a ballot title for a referendum to the people. His concern is other funding needs such as transportation funding, school funding, all these are very costly. He would like to get water funding in the door early. A \$3 billion figure was tossed out. He’s concerned about asking for too little and thinks we need to go big. Perhaps \$6 billion with a \$3 billion state share, \$3 local government share. He’s not sure about the revenue source, no decisions have been made. The small group is meeting again in August or September. He would like to hear suggestions from anyone regarding funding.

Michael Garrity spoke next. Many members of the environmental community are excited about funding stormwater and the other types of projects. Two important things to consider are criteria for categories, and the funding mechanism. The joint work session last week was an expression of interest across the aisle. Rep. Reuven Carlyle was also present and seems to be interested in this

effort. It's important to start building the coalition in order to be prepared for the upcoming session. This is important not only for water supply but for fish passage and habitat projects.

John Stuhlmiller then spoke. He reminded the group that prior to 2006, there was basically a fistfight going on, no agreements. People were not in a collaborative mode before the Policy Advisory Group started up. This process provided something for everybody, with the 2/3 for water supply and 1/3 for conservation and related projects. \$200 million was a good start, a combination of a "marriage of convenience" and a "shotgun wedding". It was a turning point from a political standpoint. It was not comfortable for participants at the beginning. A lot of policy decisions needed to be made early on.

Today, the funding is largely spent. Partnering in the three different categories of water management, to get westside buy-in, is necessary to move forward. Agriculture will be willing to participate, but have to be sure everyone gets benefit. The Department of Ecology has done a good job in working this out. We need to get that political buy-in east and west. It will be challenging to get that funding given current resources. This group has purpose, focus, and vision, which may not exist as much elsewhere. Senator Honeyford mentioned that John Stuhlmiller was part of the negotiations as a Senate staff member and came up with the 1/3 – 2/3 idea. Michael Garrity said that Senator Honeyford has provided leadership in this and in the Yakima Integrated Plan discussions.

CRPAG members and the audience had the following questions and observations:

- Mike Leita appreciates that people are stepping forward to provide leadership; these ideas have been applied with the Yakima Integrated Plan. Yakima County is already asking for fees for stormwater and flood management, these fees can increase; they may ask for an additional fee for groundwater management
- Dale Bambrick thanked Senator Honeyford for his work on the Teanaway acquisition
- Need to have the ability to access funding, it can be hard for some entities [such as irrigation districts]
- Local cost share issues have come up in this conversation; counties are already doing some things, it's okay to think that some cost share is needed
- Eric Johnson has been talking to the State Treasurer, there is a lot of debt capacity available at the local level - locals should not be totally on the hook but it's possible to consider a partnership with a dedicated revenue stream
- The deeper pockets are municipal uses, there is potential for partnering there
- Senator Honeyford clarified that it would be a referendum to the people outside of the debt limit of the state
- Is the idea of big storage dead? [There is very little political support for off-stream big storage; OCR continuing to look at aquifer storage which holds some promise]
- All three components have a link to how we interact. We need to find the right way to get at the funding mechanism; the challenge is seeing how we move forward. The array of federal/state/local is important
- The federal government wants to see a significant partnership; the Yakima Integrated Plan was a response to that and it surprised them
- Very supportive of this approach, a dedicated revenue source is good
- Will issues settled in the legislation change with new funding and authorization? [We don't see re-opening the statute or policy issues.]
- Would the referendum be similar to transportation, where there would be a specific list of projects? [Sen. Honeyford said the group has not addressed that yet; he's not sure there will be enough knowledge for a specific list of projects. John Stuhlmiller agreed, with the

original \$200 million they did not specify projects. He thinks it is likely there will some general division in advance. Michael Garrity said the environmental caucus is more supportive of general criteria.]

- Does water supply include instream flow? [We need to look at that issue, come up with some regional methodology for determining instream flows.]
- David Ortman made some general comments – Icicle Creek is a big threat to Alpine Lakes; the YBIP process poses some implementation concerns but Teanaway project is good; PAG needs to look at what the \$200 million has been spent on, dam site studies have figured prominently.

The meeting adjourned at approximately 12:10 p.m.

**The next meeting of the CRPAG will be Thursday, August 28, 2014 at the Hal Holmes Center in Ellensburg.**

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**Attendees:**

*CRPAG members and alternates:*

Dale Bambrick, NMFS  
Jon Culp, WSCC  
Charity Davidson, WDFW  
Michael Garrity, American Rivers  
Paul Jewell, Kittitas County Commission  
Mike Leita, Yakima County Commission  
Rick Miller, Franklin County Commission  
Gary Passmore, Confederated Tribes of the Colville Reservation  
Phil Rigdon, Yakama Nation  
Mike Schwisow, Columbia River Basin Development League/Columbia River Irrigation Districts  
Warren Seylor, Spokane Tribe DNR  
Craig Simpson, East Columbia Basin Irrigation District  
Mark Stedman, Lincoln County Commissioner  
John Stuhlmiller, Washington State Farm Bureau  
Rob Swedo, BPA  
Jon Unger, Oregon WRD  
Stephanie Utter, U.S. Bureau of Reclamation

*Others in attendance:*

Neil Aaland, Facilitator  
Susan Adams, Washington Water Trust  
Bridget August, Geo Engineers  
Jim Browitt, Schroeder Law Offices  
Phil Brown, GSI  
Wendy Christensen, U.S Bureau of Reclamation  
Jim Davenport  
Ron Dixon, Department of Ecology  
Melissa Downes, Department of Ecology  
Shane Early, WDNR Aquatics  
Tim Flynn, Aspect Consulting

Sean Gross, NMFS  
Dan Haller, Aspect Consulting  
Tim Hill, Ecology  
Susan Howson, House Capital Budget Committee  
Trevor Hutton, Ecology  
Eric Johnson, WSAC  
Al Josephy, Ecology  
Sue Kahle, USGS  
Mike Kaputa, Chelan County  
Mike Krautkramer, Robinson Noble  
Ben Lee, Landau Associates  
Kevin Lindsey, GSI  
Shannon Luoma, GEI Consulting  
Jason McCormick, Washington Water Trust  
Shelly McDonald, Washington State Senate Democratic Caucus  
William Meyer, WDFW  
David McClure, Klickitat County  
Dave Nazy, Department of Ecology  
Steve Nelson, RH2 Engineering  
David Ortman, North Cascades Conservation Council  
Mike Poulson, Congresswoman McMorris Rodgers Office  
Joye Redfield Wilder, Ecology  
Derek Sandison, Department of Ecology  
Dave Sauter, Klickitat County Commission  
Ken Slattery, GEI Consulting  
Paul Stoker, Groundwater Management Area  
Steve Thurin, HDR  
Tom Tebb, Ecology CRO Regional Director  
Laine Utter  
Bill Wagoner, National Frozen Foods  
Bruce Williams, Geo Engineers