

## Columbia River Policy Advisory Group

Yakima, Washington

June 6, 2007

### Reclamation Study Updates

The meeting began with Bill Gray, Deputy Area Regional Manager for the Bureau of Reclamation (BoR), describing the context for work BoR is conducting in Central Washington. Jim Blanchard of BoR briefed the CRPAG on the Potholes Supplemental Feed Route study. The Bureau is looking at two options for moving water to the south end of the Potholes project. One of them would be through Crab Creek and the second would be via the French Hills wasteway. These routes would not provide additional water nor would they irrigate additional lands. They are means of augmenting the existing route, the East Low Canal, which is maxed out in the spring.

Ellen Berggren of the BoR then made a presentation on the Odessa Subarea Special Study. The purpose of the study is to explore means of replacing groundwater pumping in the study area (which is located within the Odessa Ground Water Management Subarea designated by Ecology) with more reliable surface water supply from the Columbia Basin Project. Some irrigators were issued water right permits in the 1970s without having additional water supplies developed. The Odessa aquifer is declining and the irrigators' wells are failing. BoR has two teams reviewing four water delivery options and a set of water supply options. The water supply options include possible changes in operations at Banks Lake or the Potholes Reservoir, or the construction of a new storage facility. The appraisal level study will be completed in October 2007, and the feasibility study is anticipated to begin in 2008 and be completed by the end of 2010.

CRPAG member asked the following questions [with Ellen and Bill's answers noted in brackets]:

- Are the Vernita Bar winter flow objectives being assessed? [Not yet]
- Is climate change being factored into the analysis? [Not yet]
- Will the study also look at stabilizing the aquifer rather than replacement? [We aren't doing a groundwater model. The goal is to get as many acres off groundwater as we can, within the constraints of the Endangered Species Act]
- Will the study look at power impacts? [Yes]
- Will you look at leakage recovery, e.g., such as the 508(14) area? [Not during the appraisal level, but when we get to feasibility]
- Can you look at combinations of water duty (i.e., less than 3af) and supply? [We will definitely look at BMPs, but water duty may come into play]
- Is there a schedule for completion of the entire project? [No]
- How much does FDR fluctuate? [Depends on which month; fluctuation determined by four federal agencies]
- How much would FDR need to be drawn down to meet Odessa supply needs? [500,000 af would require a 6.2 ft. drawdown]
- Will the study consider following the land? [The study will look at a no action alternative]

## **Sunnyside Irrigation District Projects**

Mike Schwisow introduced Jim Trull, Executive Director of the Sunnyside Irrigation District. Sunnyside is one of six divisions in the Yakima Irrigation Project. Jim noted that the general adjudication of the Yakima project began in 1977. The adjudication was ultimately litigated and mediation resulted in a settlement and resolution of issues in August 2003. With cooperation from Ecology, Benton County, the Bureau of Reclamation and Yakama Indian Nation, Sunnyside committed to a set of conservation and water quality projects, funded 65% by the federal government and 17.5% each from the state and the district. Much of the early work has been to move from furrow (rill) irrigation to sprinkler and drip irrigation. The Sunnyside District keeps one-third of saved water and returns two-thirds to the river. Sunnyside also responded to the TMDL for turbidity in the lower Yakima River and has been able to eliminate 95% of the sediment entering the river. Over the next fifteen years, Sunnyside will undertake phase II of conservation efforts, focused on enclosing conduit laterals and reducing pumping costs.

CRPAG members asked these questions [with Jim's answers in brackets]:

- Is there data on fecal contamination? [Ecology has the data]
- Is there an opportunity to get the saved water all the way to the Columbia River? [The District's focus is below Sunnyside. It's tough to earmark water all the way to the Columbia River]
- Have the number of producers increased? [The acreage is fixed. The number of farmers has decreased.]
- What does Phase III mean? [More water and cleaner water in the Yakima River. More reliable water supplies.]
- What about the reservoir? [Permitting of the first reservoir went extremely rapidly. Our operations no longer get diverted from the Yakima River.]

At this point Dan Haller noted that the Sunnyside projects benefit the tributaries but don't result in saved water that could be issued as water rights from the Columbia River. He asked the CRPAG whether, even without new water rights being issued, the group thought that similar tributary projects should be funded from Columbia River account monies. This led to an extensive discussion. Everyone who commented expressed support for funding tributary projects of value even if they do not result in the issuance of new water rights from the Columbia River. The CRPAG discussed other ways that a project could benefit from out-of-stream uses, including better reliability for existing farmers, lower operational costs, increased crop yield due to increasing efficiency, and other factors.

## **Funding Procedures**

The funding committee (Dan Haller, Teresa Scott, Dave Burdick, Jon Culp, Jim Lyerla, and Al Josephy) briefed the CRPAG on the final draft of the project funding, including application procedures and scoring.

CRPAG and audience members made the following comments [with funding committee's answers in brackets]:

- The application doesn't stress enough of the economic benefits to the State. [Some points can be awarded in local support section, but this area can be explored further as the State refines the funding process.]
- We need to check the criteria sheet so that it doesn't exclude exchange projects, which are different than storage projects. [Pump exchanges are eligible.]
- What is the relevance of the CRPAG input? Should it come before Ecology matches supply and demand? [Ecology will consider CRPAG advice on what projects to take to the Legislature. Having that advice come after Ecology matches supply and demand allows everyone to see where the water is coming from, at what cost, and which WRAs will benefit in a given year.]
- Ecology should be commended on how well it has developed the application process and been responsive to CRPAG comments.
- What happens if the project proponents don't have expertise but they have a good project? Ecology should provide technical staff to help people with the application process. [Ecology staff will provide technical assistance. Entities like conservation districts, watershed planning units and non-profit entities could also play a role as the funding program evolves.]
- There are good values in the tributaries, as shown by the Sunnyside presentation, where both out-of-stream and fish needs are met. The process needs to accommodate these projects. [These projects are eligible.]
- We need to consider the extent to which other funding is available; those projects should be ranked higher. [Points are awarded for cost-share.]
- Do the scoping criteria for large projects make sense? For large projects, we need to have a feasibility study to see what emerges. If the project is inconsistent with the ESA, this should screen the project out. [Feasibility studies are required before construction money will be granted which will address ESA concerns. The feasibility section is perhaps the area where we have the most learning to do, since these studies would likely score much lower than proposed construction projects where actual water benefit is calculated. Still, there is a statutory place for feasibility studies in the CR program, and we'll take stock after the first year to see if improvements in the funding process can be made.]
- What discipline is in place to take a discretionary look at large projects? [Ecology is looking at a broad portfolio of water supply options.]
- The benefits to fish are clear in the process but it isn't as clear how out-of-stream benefits come into play and how they would compete with projects which only have an in-stream benefit.[Consumptive water delivered to the Columbia that allow new permits for out-of-stream uses to be issued receive additional points.]
- People will be watching to see how they can get money, not how to advance the goals of the program.

### **Drought Insurance Program and Water Auctions**

Dan Haller briefed the CRPAG on Ecology's thinking in response to the Legislature's direction to "solve the interruptible problem." There are 339 interruptible water rights in the Columbia one-mile corridor and 41 interruptible water rights outside the one-mile corridor. Droughts

potentially interrupt water to these users. Ecology has begun to plan for future droughts, based on its experience in 2001. It is reviewing supply side and demand side solutions.

CRPAG members posed these comments and questions [with Dan's response]:

- It would not be appropriate to do triage among different species of listed fish, but it might be possible to consider moving some spring water to the summer to meet needs.
- Is the universe of interruptible permits growing? [Ecology is not issuing any new interruptible permits. But there is scope creep on the interruptible problem. This is primarily due to water right changes from agricultural to municipal and the resulting seasonal water use issue. This relates to the potential OCPI instream flow waiver that was included as one of the EIS policy choices, if there are overall benefits to fish.]
- Ecology should re-scope its seasonal window so that it does not focus only on July and August. There are a variety of opinions that we should protect flows in other months from spring through early fall.
- Use of OCPI (Overriding Consideration of Public Interest) by Ecology's director to allow every permit holder to be treated the same would be a cynical water supply option.
- Using OCPI is not a policy choice the state should feel comfortable with. Some people might try to enjoin it as a "take" under the ESA. Ecology should take this tool off the table.
- How can OCPI be used? How would Ecology distinguish among users? What authority does Ecology have?

Lisa Pelly of the Washington Rivers Conservancy and Kelly McCaffrey of the Washington Water Trust then described the water auction they recently conducted. They had examined the 2001 and 2005 drought auctions and several prototype auctions. The auction they conducted was a reverse auction, wherein owners are asked to submit sealed bids for what they would be willing to sell or entrust their water right. By the project end, they had only received one bid. They posed the question, "What went wrong?"

CRPAG and audience members offered these observations:

- You can't seasonally go in and out of the market due to the beneficial use test.
- In 2001 BPA got 100,000 acres in 60 days in April and May. There was a time period of community discussion, a high level of trust, and a one-year deal.
- People would be afraid of this type of auction.
- This needed more outreach to users.
- A sealed bid is a problem. It may be better to post a price.
- With the exposure to Ecology, a user could risk the portion which does not go into trust. It might be helpful to talk about relinquishment.
- The spin in the agriculture community may have been that this is a trick. Ignorance leads to fear.
- In some communities, farmers have seen their neighbor go through a transfer and come out with a smaller right. Ecology's application of the beneficial use test shrinks their right.

Dan Haller and Tom Tebb noted that it is important for Ecology to understand the tools and mechanisms that will be used during a drought. Ecology needs to make sure it would be buying real water. This will come up in every path it takes – conservation, acquisition, or small storage.

## **Updates**

Dan Haller provided a set of updates on program activities.

*Metering* -- Ecology will know at the end of July how Phase 1 of the metering project went. The \$1 million available to offset the costs of metering will be prorated across the three phases so that users in every geographic area have the same options.

*Legislative Reports* -- Ecology will prepare an inventory every year. It will make an abridged update of the supply and demand forecast. Ecology would like to augment its current list with information from conservation districts and WRIAs to compile a suite of supply projects that are likely to be completed and commensurate with the Columbia River Bill.

*Staffing* – A new water master will be hired this summer, probably to work in the Wenatchee area.

*2007 Budget Priorities* – In response to a question, Gerry O’Keefe noted that the selection of projects for funding in 2007 was due to unique circumstances. Future projects will come through the normal competitive funding cycle.

## **Next Meetings**

The Executive Committee has scheduled meetings for October 24 and December 12. There will also be a meeting in September, but that date has not been determined.

The meeting adjourned at 3:30 p.m.

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The following people attended the meeting:

### *PAG members:*

Dale Bambrick, NOAA Fisheries  
Max Benitz, Benton County Commission  
Jon Culp, Washington State Conservation Commission  
Bill Gray, Bureau of Reclamation  
Bob Hammond, City of Kennewick  
Mike Leita, Yakima County  
Michael Mayer, Washington Environmental Council  
Rob Masonis, American Rivers  
Don Odegard, Columbia-Snake Rivers Irrigators Association  
Gerry O’Keefe, Department of Ecology  
Merrill Ott, Stevens County Commission  
Gary Passmore, Colville Tribes  
Lisa Pelly, Washington Rivers Conservancy  
Rudy Plager, Adams County  
Bill Quaempts, Confederated Tribes of the Umatilla Indian Reservation

Derek Sandison, Department of Ecology  
Dave Sauter, Klickitat County Commissioner  
Mike Schwisow, Columbia Basin Development League  
Teresa Scott, Washington Department of Fish and Wildlife  
Rob Swedo, Bonneville Power Administration  
Tom Tebb, Department of Ecology

*Others in attendance:*

Neil Aaland, Washington State Association of Counties  
Nancy Aldrich, City of Richland  
Bob Barwin, Department of Ecology  
Ellen Berggren, Bureau of Reclamation  
Jim Blanchard, Bureau of Reclamation  
Dan Boettger, Okanagan PUD  
Mark Bransom, CH2M hill  
Dave Burdick, Department of Ecology  
John Charba, House Republican Caucus  
Stuart Crane, Yakama Nation Water Resources  
Christi Davis, Bureau of Reclamation  
Charles Klarich, YBSA – Black Rock  
Dennis Dorratcague, MWH Americas Inc.  
Joel Freundenthal, Yakima County  
Rick George, Confederated Tribes of the Umatilla Reservation  
Andrew Grassell, Chelan County PUD  
Dan Haller, Department of Ecology  
Justin Harter, Naches-Selah 10  
Wally Hickerson, CH2M Hill  
Tim Hill, Department of Ecology  
Al Josephy, Department of Ecology  
Farida Leek, Department of Ecology  
Paul LaRiviere, Washington Department of Fish and Wildlife  
Jason McCormick, Department of Ecology  
David McClure, Klickitat County, WRIAs 30 and 31  
Kelly McCaffrey, Washington Water Trust  
Peggy Miller, Washington Department of Fish and Wildlife  
Jim Milton, YBWRA  
Steve Nelson, RH2 Engineering  
Meghan O'Brien, Department of Ecology  
Joye Redfield-Wilder, Department of Ecology  
Jeremy Pratt, Entrix  
Tom Ring, Yakama Nation Water Resources  
Dean Ruud  
Pat Ryan, Washington Department of Natural Resources  
LeAnn Schuster, Department of Ecology  
Evan Sheffels, Senate Republican Caucus  
Dan Silver, facilitator  
Paul Stoker, Groundwater Management Area  
Steve Thurin, HDR Engineering  
Jim Trull, Sunnyside Irrigation District  
Chad Unland, Washington Department of Natural Resources  
Patrick Verhey, Washington Department of Fish and Wildlife  
Patrick Williams, Center for Environmental Law and Policy