

**Columbia River Policy Advisory Group
Meeting Notes
September 19, 2007**

Walla Walla

Cathy Schaeffer gave a brief overview of a pump exchange project in Walla Walla. Cathy and her colleagues will provide an in-depth briefing on their collaborative activities in Walla Walla at the next CRPAG meeting.

Major Project Review

Derek Sandison provided an overview of the status and timing of large projects including the CRISA VRA, Supplemental Feed Route, Odessa Sub-Area Appraisal, Lake Roosevelt drawdown, Yakima Basin Storage Study and Off Channel Storage Study. Derek then reviewed Ecology's 2007 budget priorities: Odessa Special Study (\$1.5 m), Kennewick Aquifer Storage Pilot (undetermined budget), Potholes Supplemental Feed Route (\$1.5m), Similkameen Appraisal Study (\$300k), Columbia Basin Project Conservation Alternatives (\$30k) and Columbia River Mainstem Storage Feasibility Study (\$600k).

Black Rock Project

Sid Morrison and Chuck Klarich, President and Secretary of the Yakima Basin Storage Alliance, briefed the PAG on the benefits of the Black Rock project. The project would provide a one-for-one allocation for fish and irrigation. The primary agricultural beneficiaries would be acreage already under irrigation through contracts with the Bureau of Reclamation. The project would help deal with timing issues brought about by climate change. The region currently experiences a drought every 4 years; by 2050 we will have a drought every other year. The basic idea of Black Rock is to borrow water when no one else needs it and return it to the river when it is needed most for fish and linked to habitat restoration projects planned for the basin. We should not be deterred by a negative cost/benefit ratio under the BOR project funding principles and guidelines because no project has ever had a positive ratio; and the way the Study process has been set up the benefits are calculated for the Yakima Basin only and cannot look at benefits outside the Basin. In considering the benefits and value of Black Rock, we need to look forward to the future of both the Yakima and Columbia River basins, especially linked to energy and energy markets. The project is expected to have a \$7.9 billion multi-dimensional benefit for the region over the next 50 years. The Alliance expects to develop mitigation strategies to deal with the expected seepage into the Hanford Reach and environs.

CRPAG members voiced the following questions and comments:

- What is the definition of "high flows" in terms of pumping to fill the reservoir? Have the developers and proponents of Black rock compared their definition of high flows to Grant PUD's water right for operation of Priest Rapids Dam? If "high flows" are less than the Priest Rapids water right then there are certainly some major issues to be addressed.
- There is a concern about coordination with current Yakima River storage projects and how releases from Black Rock might affect fish needs.

- Would the benefits of Black Rock be to the Columbia River as well as the Yakima River? We need to look at this linkage.
- Would it make more economic sense to spend the monies needed for Black Rock directly on other fish projects?
- Is there really a net recreation benefit or is recreation a zero/sum tradeoff in Eastern Washington?
- We need to look forward at the demand context for Black Rock, as well as for other proposed projects.
- Were the recreation benefits calculated when the water was at a maximum? The reservoir would be drawn down in September/October.

Legislation, Rulemaking, Metering, Web Sharing

Gerry O'Keefe proposed that one role of the CRPAG was as a clearinghouse to notify other members of intentions to pursue legislation, rather than to serve as a sounding board about the legislation itself. In this context, Ecology intends to pursue legislation on point of diversions for transfers within pools of the Columbia River. Ecology also intends to pursue legislative appropriations approval related to the drawdown of Lake Roosevelt. The group agreed that this information sharing about potential legislation was an appropriate role for the CRPAG.

Dan Haller described Ecology's thinking on three potential rules: (1) How to calculate net water savings, (2) The two year set aside issue, and (3) How to manage drought supply allocations. Ecology has decided to take the second of these off the table and is interested in exploring negotiated rulemaking for the first and third. Regarding the drought supply, Ecology is interested in discussing with users the value of allocating net benefits during a drought. For example, should all users receive reduced allocations equally or should some users have a lesser allocation because their crop is not as valuable or it could recover more readily (e.g. hay). Gerry O'Keefe also mentioned that Ecology will not use Overriding Considerations of Public Interest as a source of water except if there is an extreme situation.

CRPAG members expressed a number of thoughts and concerns about potential rulemaking:

- Rulemaking on managing drought allocations is a bad idea. There is no need to pursue rulemaking on drought, since mechanisms now in place will take care of the problem Ecology has identified.
- Regarding OCPI, will Ecology look at maximum benefits or will there be principles, e.g. requiring maximizing conservation?
- Is Ecology really planning to place a value on croplands for interruptible use for water rights? How would Ecology determine the highest and best use of water? Ecology needs to take care not to impede my water right.
- We need to keep this conversation at a theoretical level at this point.
- If Ecology starts making value judgments on agriculture, where will that end? Will Ecology also start making tradeoffs for different parts of the environment as well?
- It scares me that Ecology would begin shaping agriculture. This is a dark hole.
- Ecology should not create a problem that doesn't exist.

- These rights that people are describing as at risk were issued after the 1980 rule. Therefore they are interruptible rights.
- We need a wider discussion regarding unintended consequences. Ecology seems to be moving too quickly.
- Other experiences have led to unintended consequences and a bad outcome.
- Ecology should not think of the subgroups as a preliminary step toward rulemaking and should not describe the purpose of subgroups as being how to approach rulemaking. Whether or not rulemaking makes sense should be a result of the conversations.

Ecology agreed to convene subgroups of interested people to discuss whether negotiated rulemaking made sense for either potential rule. The subgroups would be convened before the end of November.

Dan Haller described Ecology's experience with metering. Following advice previously offered by the CRPAG, Ecology sought voluntary compliance in Phase I of the metering. (Phase I targeted the Lower Columbia, where 75% of total water use on the Columbia occurs). 80% voluntary compliance was achieved. The period for compliance was extended for another month in an attempt to increase the level of participation. Phase II metering (the mid-Columbia) will begin in 2008. Phase III (the northern and southern areas) will be in 2009.

Dan also described Ecology's web information mapping system. The department has now entered all water rights, area delineations, and water trust projects into a Columbia River web map. The aim is to make the system of water use as transparent as possible to all parties.

Climate Change

Kurt Unger of Ecology described the on-going climate change study conducted by the University of Washington in concert with other parties, including Ecology. The State's population is expected to increase to 8.1 million people by 2025 and 10.3 million by 2050. This increase in population will lead to greater demands for both water and energy. Rising temperatures due to climate change should also lead to a greater demand for water. The Climate Impacts Group is currently looking at high resolution impacts (down to 150 meters) in the Methow, Okanagon, Walla Walla, and Yakima areas.

Extensive discussion ensued.

County commissioners spoke at length about the expected impacts of climate change in their counties. They anticipate that Eastern Washington will receive a disproportionate share of the population growth, due to quality of life issues experienced in an increasingly congested Western Washington. They also anticipate more large corporations locating in Eastern Washington, which would put additional demand on already scarce water resources. The commissioners expect that climate change will affect Growth Management Act planning and that Eastern Washington counties will need to get smarter about water management. They anticipate increased competition between municipal growth and agriculture needs, exacerbated by both population growth and climate change.

Other considerations about climate change impacts were articulated:

- We need a careful analysis of demand to show where storage might best be added (aquifer recharge, tributaries, mainstem).
- It is premature to settle on certain storage sites until we have a better sense of the geographic impacts of climate change and the change in demand for water.
- We need to get pragmatic rather than academic about climate change. How will each watershed be impacted?
- Will market forces shift water from agriculture to development?
- This all will come back to understanding changes in demand for water.
- There is concern that the current approach by the State relies too much on small projects, when we will need a larger solution.
- As we look at possible new storage, we also need to pay attention to how the current infrastructure might be changed.
- Small projects are more likely to create culture change than large projects. For example, the Kennewick aquifer storage recharge project has created a community dialogue.
- We are really talking about allocation of water, not the mechanics of storage.

2007 Legislative Report

Dan Haller described Ecology's forthcoming Water Supply Inventory, which was required by the Columbia River bill. Ecology intends to update information on demand on an annual basis, rather than wait until 2011. Ecology also is seeking to identify and include every possible water supply project related to the Columbia River as part of the inventory. Ecology intends that the impending grant funding cycle be a proving ground for particular types of projects. Dan also described how the demand forecast is being prepared.

CRPAG and audience members made these observations:

- Any demand forecast that does not consider price is not realistic. Water is an elastic commodity.
- Ecology needs to talk about market mechanisms. The market can offer a part of the means of balancing supply and demand
- Ecology should examine the Palo Verde system to understand how to deal with variability in system supplies. Water markets haven't worked well in the West.
- Ecology should look at demand beyond the one-mile corridor.

Other Issues of Interest

Members posed interest in the following:

- It would be useful to review Ecology's Columbia Water Management Biennial Workplan at the October 24 meeting.
- It would be useful to have a forum to discuss potentially creative supply ideas to see if they could be shaped to meet the funding criteria of the forthcoming funding cycle.

Dan Haller noted that the Columbia River Summit has morphed into an Eastern Washington Water Day in mid-November at which the Governor will participate, and a series of workshops in October that are add-ons to already scheduled meetings.

Attendees:

CRPAG

Max Benitz, Benton County Commission
Jon Culp, Washington State Conservation Commission
Michael Garrity, American Rivers
Bob Hammond, City of Kennewick
Mike Leita, Yakima County Commission
Joe Lukas, Grant County PUD
Michael Mayer, Washington Environmental Council
Gary Passmore, Confederated Tribes of the Colville Indian Reservation
Lisa Pelly, Washington Rivers Conservancy
Rudy Plager, Adams County Commission
Dave Sauter, Klickitat County Commission
Mike Schwisow, Columbia Basin Development League, Irrigation Districts
Teresa Scott, Washington Department of Fish and Wildlife
John Stuhlmiller, Washington Farm Bureau
Rob Swedo, Bonneville Power Administration

Others in attendance:

Neil Aaland, Washington State Association of Counties
Nancy Aldrich, City of Richland
Jeb Baldi, citizen
Bob Barwin, Department of Ecology
Mark Branson, CH2M Hill
Stuart Crane, Yakama Indian Nation
Bill Eller, Washington State Conservation Commission
Curt Gavigan, Senate Committee Services
Andrew Grassell, Chelan PUD
Jennifer Hackett, Central Washington University student
Dan Haller, Department of Ecology
Ken Hammond, citizen
Wally Hickerson, CH2M Hill
Milt Johnston, Washington Department of Natural Resources
Charles Klarich, Yakima Basin Storage Alliance
Paul LaRiviere, Washington Department of Fish and Wildlife
Dave Lundgren, Lincoln County Conservation District
Dave McClure, Klickitat County WRIAs 30 and 31
Greg McLaughlin, Washington Water Trust
Peggy Miller, Washington Department of Fish and Wildlife

Jim Milton, Yakima Basin Water Resource Agency
Sid Morrison, Yakima Basin Storage Alliance
Jack Myrick, Washington State Conservation Commission
Steve Nelson, RH2
Gerry O'Keefe, Department of Ecology
Darryll Olsen, Columbia Snake River Irrigators
Tom Ring, Yakama Nation
Derek Sandison, Department of Ecology
Cathy Schaeffer, Walla Walla County, WRIA 32
Dan Silver, facilitator
Ron Slabaugh, Chelan PUD
Tom Tebb, Department of Ecology
Kurt Unger, Department of Ecology
Chad Unland, Washington Department of Natural Resources
Patrick Verhey, Washington Department of Fish and Wildlife