

Draft v1
Columbia River Policy Advisory Group
Ellensburg, Washington
December 14, 2006

Draft Programmatic Environmental Impact Statement

Derek Sandison reviewed the comments Ecology received from 80 parties on the Columbia River Draft Programmatic Impact Statement (DPEIS). The comments were categorized into fifteen areas. The agency is currently working on a responsiveness summary and plans to issue the final EIS on February 15.

Derek emphasized that the period for submitting comments is closed. However, after the EIS is complete and Ecology moves to implementation of preferred alternatives the Agency will want additional perspectives and involvement of the PAG.

Derek and Dan Haller (also of Ecology) highlighted several of the policy issues identified in Chapter 6 of the DPEIS for the PAG, including: funding criteria for conservation projects, conditioning water rights on instream flows, processing voluntary regional agreements, coordinating VRA mitigation and processing new water rights, coordinating VRA and non-VRA water right processing, and selecting storage projects. The purpose of this discussion was to ensure that PAG members are aware of some of the key policy issues and to give PAG members an opportunity to advise Ecology if they see any convergence around a particular alternative or set of alternatives.

With respect to funding criteria for conservation projects, PAG members offered:

- The legislation is tied to water rights; therefore project funding should lead to the issuance of water rights.
- Over time approximately \$65 million will be spent on conservation projects (basically all projects that are not new storage). Conserved water created as a result of state investment will be managed in the Trust Water Program.
- The proportion of conserved water managed for instream benefits should be in the same proportion as in the bill (two-thirds for out-of-stream use, one-third for instream benefits).
- Ecology needs to be clear on the impact on return flows from projects that are funded. These return flows need to be protected.
- Ecology needs to show how project selection ties back to the law. The department needs to demonstrate how the law and budget are tied together.

Discussion then turned to the issue of conditioning new water rights on instream flows, particularly on whether the OCPI process might be used to “waive” the winter instream flows for municipal, industrial and other year around water uses. PAG members offered:

- It is hard to see how OCPI (“Overriding Consideration of the Public Interest”) could be accomplished in a programmatic EIS.

- There should not be a programmatic prohibition on OCPI
- The option should be kept available on a case-by-case basis. Right now the Director of Ecology makes OCPI decisions. This should continue.
- It isn't really clear what policy options face us. It would be useful if Ecology would prepare an options paper so the PAG can see where it is constrained and where it isn't.

Dan Haller described the challenge Ecology faces in deciding who should get project funding and who should get their permit processed. The department has several choices for grouping water rights applications for processing (within the one mile corridor, within the corridor by region, within the corridor with WRIA permitting); it also must determine how processing of permits covered by VRAs relates to processing of other permits. PAG members offered:

- The Legislature did not prioritize Voluntary Regional Agreements to jump over non-VRA applicants. Ecology should treat everyone equally.
- Ecology shouldn't act until it identifies the problem areas and proposes guidance and solutions. This would allow the PAG a better opportunity to make sense of the policy considerations.
- Using the WRIA designation doesn't work well for the mainstem. It would be helpful to have a WRIA-like approach for different geographic areas; don't treat the Columbia as a single WRIA.
- It would be useful if Ecology could show how the different choices would work for it. What are the demand centers for permits?
- We need higher level guidance to address this question. It is difficult to see how we can associate the policy, the law, the budget and the objectives. Ecology is asking for too much at the finite, nuts and bolts level and not enough at the policy level.
- Ecology should prepare some kind of document to help clarify the complexities of water rights processing and assist with this discussion.

At the close of the discussion, Derek Sandison noted that comments to an EIS aren't typically issued prior to the issuance of the final EIS. Nonetheless, to satisfy the interest, Ecology will post the EIS comments on its website prior to the end of the year.

An opportunity was offered for audience comments. There were none.

Project Funding Criteria

Dan Silver briefly summarized the written comments he received on the draft funding criteria. Gerry O'Keefe discussed Ecology's thoughts about these comments: Ecology is at the front end of a two-year biennial budget process. The more clarity there is around a list of projects recommended for funding by March, the easier it will be to get support from the legislative appropriators. Ecology has sought \$34 million in the capital budget. This is the first part of the \$200 million that will be spent on the Columbia River bill. Of

this \$200m total the law requires that two-thirds (or approximately \$133m) will be spent on storage projects; of the remaining \$67m, a portion will be set aside for acquisition; and the remainder will be spent on conservation and other non-storage projects. Ecology sees this as an iterative process that improves over time. They would prefer a shorter list of criteria (a handful) and are interested in flexibility to package different kinds of projects. They would like to incorporate local, on-the-ground knowledge into the project selection process. A bottom line for Ecology is that issuing of new water rights must not produce a “hole in the river.”

An extensive discussion ensued. PAG members offered:

- The objectives for spending this money should be before the group at all times. We need to clearly follow the intent of the law.
- Some of the activities which will be funded pre-date this particular program, for example, providing alternatives to groundwater withdrawal in the Odessa Subarea. The Odessa project is not strictly conservation or storage.
- The template prepared by Ecology lays out the legislative authority for each of the categories of spending and is a useful way to associate projects and the law.
- Ecology should develop a position paper that is responsive to the legislation. Its recommended list of projects needs to fit the language of the law.

Dan Haller explained that the funding criteria the PAG is discussing would only be applied to conservation and “other” projects, not to storage or acquisition projects. Several members mentioned that at some point Ecology needs to identify the criteria that will be applied to storage projects.

At this point, Rob Masonis articulated several values that he thought might be widely held by the Group: 1) an emphasis should be made to provide benefit to the tributaries, where the primary opportunities exist. Water provided to the tributaries that would make its way to the mainstem could be used for the issuance of new water rights from the mainstem as long as it did not create a hole in the mainstem. 2) There should be an emphasis to spend the money well and make “smart” decisions that provide the most benefits for the investment. 3) There should be a focus on delivering benefits – both for instream interests and for new out-of-stream uses -- sooner rather than later; don’t think decades down the line.

The PAG then refocused discussion around these value statements. A question arose whether the legislation provided flexibility for funding projects in the tributaries. Gerry O’Keefe clarified that the language states that funds from the account could be spent “within the Columbia Basin.”

Discussion shifted to conservation and refocused on the project funding criteria:

- Conservation, even in the tributaries, likely won’t provide a lot of water for the mainstem.
- We need a broader definition of conservation, one that is more than lining canals.

- We should define the benefits of conservation to get water.
- Conservation savings are from the consumptive use of water (conserved water is water that was previously consumed).
- The criteria that seem to address the issue of not creating a hold in the mainstem most directly are #2 and #8, which call for water to return to the Columbia River, and provide long term, or permanent benefits.
- There are too many criteria to be useful, but it is essential to have some criteria that are restrictive; something to guide us. Relative bang for the buck is an important criterion.
- Many of these criteria are descriptive of the project rather than evaluative; they could be eliminated, thereby shortening the number of criteria.
- A lot of watershed planning has already occurred in the tributaries. This should be an important factor in project funding decisions.

Ecology committed to preparing a revised list of criteria for the PAG to review. Ecology will be interested to know 1) is the list generally reflective of the bill, and 2) is it a list the PAG can support.

Dan Haller discussed formation of a Technical Advisory Group, to evaluate and rank projects using the project funding criteria. Ecology has identified the expertise it believes is needed to help with the review of projects and is now seeking representatives outside the agency who have this expertise. The TAG will need to get up and running soon; it will try to get some early successes and then adapt to what it learns in the initial round of funding projects. Various PAG members suggested ways to augment Ecology's expertise:

- Include an engineer familiar with irrigation systems
- Include a hydrogeologist to assist with review of aquifer storage projects
- Reach out for additional expertise needed beyond the basic group
- The term "salmon recovery" is too broad to be useful. The TAG will need fisheries and in-stream flow expertise.
- Members of the TAG should think of themselves as "point people" and should solicit input on technical areas.

Supply and Demand Forecast Report

The Group then discussed the recent Water Supply Inventory and Long-Term Water Supply and Demand Forecast published by Ecology in mid-November. The report highlighted the value of the available information on supply and demand but also raised questions. What are the plans for Ecology to provide new information as it becomes available? Is there some mechanism to capture the information without waiting five years for another publication?

Dan Haller reflected on how quickly the initial report was prepared. Ecology is now eleven months from producing the next inventory. Due to the time requirements for producing the initial report, Ecology was only able to deal with about 25% of the

comments, those to which they could readily respond. The rest of the comments were set aside to be worked on in 2007. Ecology will develop a workplan in the spring for the preparation of the next report. At that point, the PAG can identify gaps in information and help to shape the next report.

Comments by the PAG and the audience suggested that there may be more municipal conservation opportunities than were indicated in the first report and that is a great deal of uncertainty about the amount of conservation available in the agriculture sector. The prospect for agricultural conservation may have been highly overstated in the report. The definition of conservation may be too narrow, thereby thwarting creative individuals.

Due to the deteriorating weather situation, the meeting came to an early close. Members stressed that they did not want to lose momentum for the group. The next meeting will be held in Olympia on January 25.

The following people attended the meeting:

Participants:

Dale Bambrick, National Marine Fisheries Service
Max Benitz, Benton County Commission
Jon Culp, Washington State Conservation Commission
Cindy Custer, Bonneville Power Administration
Dick Erickson, East Columbia Basin Irrigation District
Jim Fredericks, U.S. Army Corps of Engineers
Bill Gray, Bureau of Reclamation
Dan Haller, Department of Ecology
Bob Hammond, City of Kennewick
Paul LaRiviere, Washington Department of Fish and Wildlife
Joe Lukas, Grant County PUD
Rob Masonis, American Rivers
Michael Meyer, Washington Environmental Council
Gerry O'Keefe, Department of Ecology
Darryll Olsen, Columbia-Snake Rivers Irrigators Association
Merrill Ott, Stevens County Commission
Gary Passmore, Colville Tribes
Lisa Pelly, Washington Rivers Conservancy
Rudy Peone, Spokane Tribe
Philip Rigdon, Yakama Nation
Derek Sandison, Department of Ecology
Mike Schwisow, Columbia Basin Development League
Rich Stevens, Grant County Commission
John Stuhlmiller, Washington Farm Bureau

Others in attendance:

Bob Barwin, Department of Ecology
Steve Carter
Christi Davis-Moore, Bureau of Reclamation
Britt Dudek, Conservation Districts
Michael Garrity, American Rivers
David Gerth
Andrew Grassell, Chelan PUD
Wally Hickerson, CH2M Hill
Representative Bill Hinkle, Legislative District 13
Ron Hull, Grant Conservation District
Doug Johnson, Department of Ecology
Milt Johnston, Washington Department of Natural Resources
Chuck Klarich, Black Rock Project
Greg McLaughlin, Washington Water Trust
David McClure, Klickitat County, WRIAs 30 and 31
Elizabeth McManus, facilitator
VJ Meadows, Benton County
Peggy Miller, Washington Department of Fish and Wildlife
Jack Myrick, Washington State Conservation Commission
Mark Nielson, Conservation Districts
Tom Ring, Yakama Nation
Pat Ryan, Washington Department of Natural Resources
Cathy Schaeffer, Walla Walla County
Dan Silver, facilitator
Paul Stoker, Ground Water Management Area
Rob Swedo, Bonneville Power Administration
Tom Tebb, Department of Ecology