

Columbia River Policy Advisory Group

Meeting Notes

September 9, 2009

Columbia River Treaty and Non-Treaty Storage

Rick Pendergrass of the Bonneville Power Administration briefed the CRPAG on the Columbia River Treaty and the history and status of Non-Treaty Storage. The Treaty was signed and ratified in 1964. It required Canada to construct and operate three large dams (Mica, Arrow, and Duncan) primarily for power and flood control benefits and allowed the U.S. to construct and operate Libby dam. The Treaty obligates the U.S. to pay \$250 million annually to Canada. The Treaty also motivated the development of infrastructure and governance such as the intertie to California, regional power preference legislation, and additional generation. The Treaty does not have a specified end date, although it has a provision allowing either nation to terminate most of the provisions in or after 2024 with a minimum 10 years' written notice.

The two nations have taken the initial steps to conduct joint studies on expected outcomes of different future scenarios. In conducting these studies, Bonneville will coordinate with the states, tribes and federal resource agencies. Outreach to these parties will begin this fall. The Joint Entity Phase 1 Report will be available in early 2010.

CRPAG members had these questions and observations:

- Who are the players on the Canadian side? [BC Hydro, the province, the federal government.]
- Have there been any preliminary discussions with Ecology to purchase significant water supplies for instream or out-of-stream use? [There have been informal discussions between DOE and the British Columbia government.]
- There have been informal discussions with tribes to this point.
- What is a realistic time to participate? [Late this year and early next year.]
- What do we know about Canadian interests? [We don't know yet; \$250 million annually goes into the provincial budget.]

Mica, Arrow and Revelstoke dams were all built with more storage capacity than was required in the CR Treaty. Agreements were signed to account for this Non-Treaty Storage. By June 2011 all parties must refill their non-treaty storage accounts. This has become more difficult than expected due to fisheries concerns, energy transactions, and the power infrastructure. Biological Opinions have included an objective for BPA to negotiate with BC Hydro to use non-Treaty storage space to shape water from the spring to the summer.

CRPAG members had these questions and observations:

- Has there been any historical interest in dead storage at Mica? [There is a lack of infrastructure for this option]
- Is there capacity for more power generation? [There are empty turbine bays at Mica and Revelstoke]
- Is there any provision for breaching the dams? [No.]
- If there is an opportunity to get water out of Canada, would it be possible to get it before 2024? [Possibly there could be non-treaty storage before 2024, but not additional Treaty storage.]

2009 Grant Cycle

Al Joseph of Ecology described the upcoming competitive grant cycle. Applications will be due in the fall; projects will be selected by Christmas; and contracts will be completed by the summer. Ecology is shifting the grant cycle from an annual to a biennial cycle. These competitive grants are just one element of the spending of funds from the

Columbia River account to acquire new supply. Ecology has reserved the capacity to fund large projects outside of the grant cycle and to purchase water.

The competitive process will begin with a technical review by a panel led by Bill Eller of the Conservation Service. Following this technical review, an internal Ecology Columbia River Implementation Team will conduct a more qualitative review. Eligible projects in 2009 will include: modification of existing storage, surface storage that includes design and construction phases, and conservation projects that can be constructed within one year. Aquifer storage projects are not eligible nor are feasibility studies. Projects need to be “shovel ready.”

CRPAG members had these questions and observations:

- Will conservation projects be required to be completed in 2011? [No, but they must get started.]
- What is the matching-of-benefits criterion? [It is the matching of discrete projects that have instream-flow benefits with projects with no instream flow benefits.]
- Will there be non-competitive projects selected by Ecology? [Yes, there are four pathways to funding. This is the competitive path.]
- How much new water has been developed? Is there a running estimate? [None of the first round of projects had new water supply. However, the Lake Roosevelt agreement will provide 1,000 acre feet of water rights for municipalities and industries.]
- We need to develop a water progress report to show what has been the benefit from the spending of all this money.
- Can previously losing projects resubmit this year? [Yes.]
- How much money is available? [Ecology has not set a boundary on the amount available.]

Hillis Rule

Dan Haller of Ecology briefed the CRPAG on Ecology’s intention to amend the Hillis rule. The Hillis rule was adopted in 1998. The purpose of this rule was to implement a court ruling on the priority processing of permits. Ecology has filed its Notice of Rulemaking (CR101). It will host four public meetings in November to scope the rule, and then propose a rule next spring.

- Are there any written materials available? [The only written documents to this point are the CR101 and PowerPoint presentation]
- Which provisions of the Hillis rule haven’t been used? [Encouraging regional water systems and preserving public safety and health]

Agricultural Conservation

Derek Sandison led a discussion of potential legislation related to conserved agricultural water. Legislation was introduced on this subject at the last legislative session (HB1334). Ecology is interested if the CRPAG perceived HB1334 to be a reasonable approach and it wants advice on whether it should promote a position in the next legislative session.

Dan Haller gave an overview on how conservation potentially contributes to improved stream flows. Conservation can reduce gross diversions, improve efficiency, improve water quality, reduce operating costs, and improve crop yield. A report issued by CSRIA in 2006 suggested that as much as 885,000 af might be available from conservation; Ecology’s 2008 report identified about 1 million af of water potentially available from conservation. HB1334 would allow seasonal transfers without a consumptive use review. The bill would allow 50% of conserved water to be spread on new lands. The benefit of the conserved water would accrue to the person taking the action rather than the oldest person in the water permitting line.

CRPAG members had these observations about expanded incentives for water conservation

- If we reappropriate the savings to consumptive use, it would deplete instream flow. NMFS does not support further flow depletions. Moreover, it would be bad public policy to allow one group to pursue irrigating new land when there are so many existing unmet interruptible rights out there.
- There can be impacts to wildlife with the shift from non-irrigated to irrigated land, for example, natural vegetation habitat such as shrub steppe is threatened. It is a difficult balance for WDFW to find.
- An irrigation incentives program is a good idea but there should not be public funds spent on the incentives.
- The Yakama Indian Nation does not support this legislation. This is a consumptive use of water which depletes the river. We have decades of irrigation conservation in the Yakima Basin and this new approach does not fit within that experience. This forum is a collaborative body, and this legislation was not put together in a collaborative fashion.
- The comparison of this approach to irrigation under the Yakima River Basin Water Enhancement Project is that under YRBWEP saved water goes to minimum flows and then water is set aside for junior users. This bill would create a conflict with interruptible users.
- American Rivers opposes this approach. However, it could consider prospective conservation more similar to the YRBWEP approach.
- The Umatilla Tribes generally support the concept of leaving conserved water in the river. The tour I took which was sponsored by CSRIA made me think that we need more specifics on individual water rights.
- Economic capacity is important to use. We need to use production to produce revenue to fund agencies. We need to find a balance of incentives to water right holders and protecting our environment.
- There are huge economic impacts associated with this action. The Washington Environmental Council opposed this legislation. We need to look at policies which support smart incremental policy improvements. This bill focused only on one particular site and not the state as a whole.
- This bill is spreading; it is not conservation.
- A retroactive application of incentives is not acceptable.
(Note: Darryll Olson did not hear the initial comments. When he arrived he made the following observation :)
- CSRIA changed HB1334. We thought we had dealt with the issues of impairment and exemptions to relinquishment. We don't think we need new legislation; we can work within current law. CSRIA supported 90.90 in order to get new water rights, which is in effect spreading. We have supported conservation projects that don't produce new water rights, but at some point, conserved water needs to result in new water rights, with new ground being irrigated. It has always been our expectation to use O & M improvements for newly irrigated lands. If we don't get this its hard to see why we would continue supporting this process.
- A big question is whether this policy change would be prospective. It works if it is prospective, but if it is retrospective, it harms the river.
- This is too big to leave on the table; we need to find a solution.

Ecology will bring the issue forward again at the November 12 meeting.

Chelan County PUD/Ecology Agreement on Storage Projects

Gregg Carrington and Andrew Grassell of Chelan County PUD described an agreement that the PUD had reached with Ecology to explore whether there are potential storage option that could be created that would improve the environment for fish, provide out-of-stream supply, and provide revenues. Appraisal studies will be funded to look at three options: a pool raise at the Rocky Reach dam (up to 28kaf), other water storage projects (10-30,000 af), and the impacts of the proposed Wanapum Pool raise on Rock Island. A particular focus of the study is the impact of a pool raise on an endangered plant (the orchid known as Ladies tresses or spiranthes) that grows on the shores of the Rocky Reach reservoir.

CRPAG members had these questions and observations:

- Will FERC require an amendment to the 401 Biological Opinion? [Yes. The amendment would be germane to the water right.]
- Why hasn't a pool raise occurred in the past? [We didn't have a Habitat Conservation Plan in place. There were too many unknowns for anadromous fish.]
- Would this require a structural change? [Not for the Rocky Reach pool raise, but a raise might affect Wells reach]
- How often do you go to the 710 foot flood prevention level now? [The Corps of Engineers has the right to impose this operating limit on us, but they haven't done so since the 1970s.]
- Will there be shoreline impacts? [We don't know. There aren't any permanent dwellings in the footprint.]
- Are you confident that the juvenile by-pass will still work? [We need to reevaluate the impact of survival; also whether attraction into the by-pass will be diminished.]
- How big is the ESA plant population? [There are five populations along the reach, the only ones in Washington State.]
- How would you plan to mitigate for flood control? [Not sure; we would be redistributing flow from summer to spring. We think flood impact would be minimal. Each increment of pool raise could be significant, for example, they could be slowing down fish passage.]
- Who will protect cultural resources? [We have a cultural management plan with the Colville Tribe, the Yakima Nation, and the Bureau of Indian Affairs. We will be adding a new person.]
- Have you already examined sites for the "other storage options"? [Yes. These were projects we looked at for pump storage in the 1970s]
- What kind of energy would there be from pump storage? [The potential is 200-1,000 MW. We need to integrate load with wind; find a way to store that energy.]

The meeting adjourned at 1:00 p.m. The next meeting will be on November 12 at the Hal Holmes Center in Ellensburg.

Attendees:

CRPAG members and alternates

Dale Bambrick, National Marine Fisheries Service
 Dan Brudevold, Confederated Tribes of the Colville Nation
 Gregg Carrington, Chelan County PUD
 Jon Culp, Washington State Conservation Commission
 Jim Fredericks, Corps of Engineers
 Michael Garrity, American Rivers
 Andrew Grassell, Chelan County PUD
 Bill Gray, Bureau of Reclamation
 Bob Hammond, City of Kennewick
 Mike Leita, Yakima County Commission
 Mo McBroom, Washington Environmental Council
 Darryll Olson, Columbia Snake River Irrigators Association
 Merrill Ott, Stevens County Commission
 Lisa Pelly, Washington Water Trust
 Rudy Plager, Adams County Commission
 Bill Quaempts, Confederated Tribes of the Umatilla
 Phil Rigdon, Yakama Nation
 Denny Rohr, Grant County PUD
 Dave Sauter, Klickitat County
 Mike Schwisow, Columbia Basin Development League, Irrigation Districts

Teresa Scott, Washington Department of Fish and Wildlife
Warren Seyler, Spokane Tribe
Craig Simpson, East Columbia Basin Irrigation District
Rob Swedo, Bonneville Power Administration

Others in attendance:

Neil Aaland, Washington State Association of Counties
Brad Avy, Washington Department of Agriculture
Wendy Christensen, Bureau of Reclamation
Carolyn Comeau, Department of Ecology
Stu Crane, Yakama Nation
Michael Crowder, Barker Ranch
Charity Davidson, Washington Department of Fish and Wildlife
Mike Dixel, Department of Health
Bill Eller, Washington State Conservation Commission
Andrew Grassell, Chelan PUD
Jennifer Hackett, citizen
Dan Haller, Department of Ecology
Al Josephy, Department of Ecology
Keith Kutchins, Upper Columbia United Tribes
Paul LaRiviere, Washington Department of Fish and Wildlife
Jason McCormick, Washington Water Trust
Sean McGrath, Columbia Basin Development League
Gary Passmore, Confederated Tribes of the Colville Nation
Tom Ring, Yakama Nation
Rick Roeder, Department of Ecology
Derek Sandison, Department of Ecology
Dan Silver, facilitator
Paul Stoker, Groundwater Management
Tom Tebb, Department of Ecology
Chad Unland, Washington Department of Natural Resources
Chuck Wagers, Douglas County PUD