

# Columbia River Policy Advisory Group

## Meeting Notes

May 5, 2010

### Sullivan Lake Reoperation

Bob Geddes and Mark Cauchy of the Pend Oreille PUD and Jack Snyder of EES Consulting briefed the CRPAG on the reoperation agreement at Sullivan Lake. Sullivan Lake is a 1,200 acre, 330 ft. deep lake in Pend Oreille County. The PUD acquired a dam at the end of the lake in 1958. The dam is no longer operational for energy generation. The PUD had submitted a Notice of Intent not to relicense to FERC. This prompted an 18-month negotiation that resulted in a settlement among parties in February 2010. The terms of the settlement will: (1) provide an increase in releases for in-stream flow in the summer months; (2) provide cold water for releases from construction of a pipeline; and (3) provide up to 14,400 acre feet of water for use by out-of-stream users from June-September. The settling parties include the PUD, Seattle City Light, the Kalispell Tribe, WDFD, Ecology, the Forest Service, U.S. Fish and Wildlife, American Whitewater, The Lands Council, Selkirk Conservation Alliance, BIA, the town of Cusick, and several individuals. The PUD and Ecology are working on an agreement wherein Ecology would pay the PUD between \$7.5-14m for a portion of its water right. Water would be available for the issuance of new water rights sometime in the period 2012-2014.

CRPAG members had these questions and observations:

- How is this a good deal from a cost point of view? [*Funds from the sale of the water right will go into work in the Sullivan Creek Basin. This agreement avoids a long drawn-out, litigious process, saving both time and money. PUD ratepayers will be spared great expense with this agreement.*]
- Have the County and Seattle City Light reached an agreement on impact fees? [*Not yet. This is not related to the Sullivan Creek Project but is an issue between the City of Seattle and Pend Oreille County regarding impact fees on Seattle's Boundary Hydroelectric Project.*]
- How will the water supply distribution work? [*This is a good opportunity in NE Washington, where Ecology doesn't have many options. We will have a little more than 4,000 af in the summer to augment in-stream flow and about 9,000 af for out of stream use.*]
- Is this a one-time or long term agreement? [*It isn't settled. Ecology would want to make a single payment.*]
- When does cost sharing come in? [*There is no deal at this point. Ecology funds would be from the capital budget.*]
- How long is the cold water release facility pipe? [*1,000 feet*]
- Does the PUD retain liability for the dam? [*Yes*]
- Are there any flow issues with Canada? [*There don't seem to be, but we need to talk with Canadian officials.*]
- It is encouraging to keep water in the Northeast area. This demonstrates exactly what this program is all about.
- I am blown away by the multiple uses that are met concurrently by this project. It is an example of what this program should achieve.
- Is there any known opposition to this agreement? [*No*]

- Why didn't the county commissioners sign the agreement accord? [*They didn't think they had legal standing to do so.*]
- I suggest you ask the county commissioners for a coordinating letter.
- I like how this returns the river closer to its historical normative flows.
- I am impressed at how quickly this negotiation occurred.

## Walla Walla Pump Exchange

Rick George of the Confederated Tribes of the Umatilla Reservation and Derek Sandison described recent activities concerning the proposed Walla Walla pump exchange project. Three environmental groups (American Rivers, WEC, and Trout Unlimited) sent Ecology a letter of support for the project. Tribal representatives met with congressional officials in Washington D.C. in March. Representatives McMorris-Rogers and Walden withdrew their letter of authorization for the project, due to their caucus' opposition to earmarks in the Water Resources Development Act. They still support the project. The Corps of Engineers recalculated the cost of the project, from \$292 m to \$397m. This also increases the non-federal cost share.

Derek reviewed Ecology's position on the project. The project has good fish benefits but it is expensive. It has been difficult for Ecology to see the out-of-stream benefits. But recently Walla Walla irrigators have expressed strong support because they are concerned about the application of the Endangered Species Act. The project would help stabilize the agriculture economy in the Basin. Therefore, Ecology has decided to recommend \$40m in funding, subject to the budget process. After consultation with the Attorney General's Office, Ecology has determined that it can split these funds 50/50 between the storage and non-storage portions of the Columbia River account. The Department's commitment would be for two years, beginning the next biennium.

CRPAG members had these observations:

- Which Walla Walla irrigation district has expressed support? [*Gardena Farms Irrigation District, which has 25-33% of the water right*]
- How will this play out if Oregon doesn't pony up funds?
- The irrigators are astute regarding the ESA. I'm reassured to see them actively participating.
- If Oregon doesn't participate, Washington should not commit \$40m.
- This is a valuable project and merits support.
- How does this work with the increased match cost? [*The Tribe has asked the Dept of Interior to value its water right at \$100m, which would significantly reduce the total amount of the non-federal cost share*]
- We need to be kept closely apprised on the split between the two accounts.
- We need a strategy to increase both the storage and non-storage portions of the Columbia River account.
- Ecology should provide a more complete description of this project on its website.
- The Corps of Engineers will be making a detailed review of the report. We are meeting in early June to review comments. Once the comments have been sufficiently addressed then the draft report will be made available to the public.

## Chelan PUD Storage Projects

Andrew Grassell of the Chelan PUD and Dan Haller of Ecology provided an update on the Rocky Reach pool raise. An investigation of Ute Ladies Tresses, a perennial orchid which is listed as threatened under the ESA, has been completed. Some Protection Mitigation and Enhancement measures were identified, though they had varying levels of success. The impacts on the plant are expected to vary, depending on the inundation. Consultation on this species will occur with the U.S. Fish and Wildlife Service; this has not yet been initiated.

Next steps include a detailed internal scoping process by Chelan PUD. If after review of this information both Ecology and Chelan feel it's worthwhile to continue forward, an external scoping and issue identification process would occur.

Ecology is interested in 28 kaf that is potentially available from the pool raise, particularly as it would help with the backlog of water rights applications.

CRPAG members had these questions about the pool raise project:

- Would the pool raise help mitigate the draw down of Lake Roosevelt in August? [*No. It would have no effect.*]
- Will there be any changes to the Vernita Bar flows? [*This will need to be studied.*]
- Project proponents will also need to pay attention to chum flows.

Andrew then described the hybrid pump storage projects. The PUD intends to identify 8 or 9 potential sites adjacent to PUD projects, then narrow the list to 2-3 candidate sites with multiple benefits including generation and water releases for downstream benefit. The reconnaissance level study will be complete in August 2010. This is a 10-12 year project. Pump storage projects are expensive; the goal of this study is to determine if the cost per unit of power and cost per unit of water delivered downstream can be decreased by combining these as well as other benefits into a projects purpose.

CRPAG members had these questions:

- How big would the pump storage projects be? [*20-80 kaf*]
- Is the power side benefit outside the salmon season? [*Not yet determined.*]

## Kennewick Irrigation District Pump Exchange

Scott Revell, Planning Manager of the Kennewick Irrigation District, briefed the CRPAG on the KID Pump Exchange Project. KID has revised its earlier project in recognition that the Columbia River development account expires in 2016. KID has been trying to get water to Red Mountain for 30 years. The residential portion of the project has been dropped in favor of focusing on high-value wine grapes. (Red Mountain is now an American Viticulture Area.) The basic concept is to reduce water diversion at Prosser and to have a new diversion at Kiona, closer to Red Mountain, thereby leaving more water in stream. An early focus of the project is \$500k in shrub steppe mitigation, to be paid for by the water users. The construction of the Kiona pump station (to be repaid by water users) is expected to be \$10-12m. The benefits would be: 1,700 acres of new irrigation; a property value increase of \$50-100m; and more water available upstream, at a cost of about \$728/af.

CRPAG members had these questions and observations:

- Why aren't these rights permanently going into instream flow? [*The portion which Ecology is funding is required to go into trust. Surplus water beyond this water savings is available instream for a short term, but at some point it is pulled back out of the river.*]
- The Yakama Nation is involved and supportive of this project.
- The benefits to fish and wildlife are good. WDFW's role is to make sure that the shrub steppe mitigation is sufficient. The instream flow benefits are good.

## Policy and Project Updates

Derek Sandison, Rick Roeder, and Dan Haller then led a discussion of policy and project issues before Ecology. The Department is considering how to deal with the highly variable per-acre-foot cost of projects. With four years of experience in the program, Ecology perceives that the cost of water is one of the most important emerging issues. Most of the program's investments have been in smaller projects, awaiting the outcome of the demand study. Costs for these projects have varied from \$400/af in some irrigation district projects to \$4,000 or more per af for small reservoir and ASR projects. Ecology is asking: At what price do we put projects on hold and investigate other projects? Are there some areas whose needs can only be met by high cost investments?

CRPAG members had many observations:

- What is the status of the WSU demand study? [*It's about one-third done; due in a year.*]
- The further upstream a project is, the more value it has. That should be a consideration when looking at cost.
- Don't simply look at cost per acre foot. Also look at value and benefits. Projects can have multiple benefits.
- I am uncomfortable making decisions on cost alone.
- Two projects in the list have multiple benefits; Ecology needs to bring those other benefits into the decision making.
- The demand study is critical to answering the policy questions Ecology is posing.
- The demand study will not tell us what the "pain threshold" is. That will still be a policy decision.
- Cost should play a significant role in a limited resource decision.
- Cost alone is not the deciding factor. We need to look, for example, at areas with a higher benefit if they are closed to new water rights; or if they have a greater benefit because they are further upstream.
- Cost alone is not sufficient for a policy decision.
- We need to look at a balance of where the projects are: How many people are benefiting? How much habitat is benefiting?
- The cost is what it is. The key variables are: need (demand), cost, and opportunity.

- The Bureau of Reclamation struggles with cost/benefit in the Yakima and Odessa areas. It is hard to capture the full range of benefits, for example, non-agriculture and non M & I. It turns out to be a policy call.
- It is important to consider how much confidence we have in the cost projections. Some of them are simply wild guesses. The more confident we are in the numbers, the more confident we can be making decisions.
- We should consider how each investment of state dollars leverages other monies.
- The Colville Tribe wants Ecology to look at two projects, Goose Flats and Nine Mile. These are upstream projects. We have private investment partners to match state dollars.
- Two years ago we would have been reluctant to say yes to projects of this size. We are now more comfortable with the decision making. I expect this policy issue on cost to frame up better over time.

#### Quick project updates:

- **Wannapum Pool Raise** – By mutual agreement, Ecology and Grant PUD have shelved the project.
- **Lake Roosevelt** – Everyone is awaiting the judge's decision on various summary judgment motions.
- **Weber Siphon** – Construction is underway. Expect the initial water through the tube in March 2012.
- **Potholes Feedroute** – The physical improvements have been done. Now working on land acquisitions.
- **Odessa Source Replacement** – The EIS will be complete in the summer of 2011. The challenge is how to tell the story of the No Action Alternative. Proximate municipalities' wells are being drawn down, making the urgency clearer.
- **Yakima Integrated Plan** – Right now the focus is on demand and finding the right size for the projects.
- **Reservoir proposals on the Colville Reservation** – Ecology has plans to fund; is looking to structure the projects.

#### Final CRPAG observations about the litany of projects:

- Withdrawals from the Columbia River have an impact on the entire system. All have a relational value to the system. It requires us to have a regional thought process and a need for an opportunistic pumping strategy.
- It does matter where and when water is taken out and put back in both fish and out-of-stream impacts.
- What is the interaction with the Columbia River Treaty Process? [*Governor's Office is gearing up for the Treaty reopening in 2014.*]
- Flood control is an important part of the Columbia River Treaty.
- What about the Oregon legislature? They were more active this year. Ecology needs to be talking to its counterpart in Oregon.

## Attendees:

### *CRPAG members and alternates*

Jon Culp, Washington State Conservation Commission  
Jim Fredericks, Corps of Engineers  
Michael Garrity, American Rivers  
Bill Gray, Bureau of Reclamation  
Bob Hammond, City of Kennewick  
Gene Joseph, Colville Tribe  
Mike Leita, Yakima County Commission  
Joe Lukas, Grant County PUD  
Merrill Ott, Stevens County Commission  
Lisa Pelly, Trout Unlimited  
Elwood Patawa, Confederated Tribes of the Umatilla  
Rudy Plager, Adams County Commission  
Phil Rigdon, Yakama Nation  
Mike Schwisow, Columbia Basin Development League  
Teresa Scott, Washington Department of Fish and Wildlife  
Warren Seyler, Spokane Tribe  
John Stuhlmiller, Washington Farm Bureau  
Rob Swedo, Bonneville Power Administration  
Ernie Williams, Colville Tribe

### *Others in attendance:*

Neil Aaland, Washington State Association of Counties  
Mark Cauchey, Pend Oreille PUD  
Ernest Clark, Colville Tribe  
Carolyn Comeau, Department of Ecology  
Stu Crane, Yakama Nation  
Charity Davidson, Washington Department of Fish and Wildlife  
Bob Geddes, Pend Oreille PUD  
Rick George, Confederated Tribes of the Umatilla Reservation  
Andrew Grassell, Chelan PUD  
Dan Haller, Department of Ecology  
Perry Huston, Okanogan County  
Al Josephy, Department of Ecology  
Greg McLaughlin, Washington Water Trust  
David McClure, Klickitat County, WRIAs 30 and 31  
Peggy Miller, Washington Department of Fish and Wildlife  
Jim Milton, Yakima Basin Water Resources Agency  
Gary Passmore, Colville Tribe  
Scott Revell, Kennewick Irrigation District  
Tom Ring, Yakama Nation  
Rick Roeder, Department of Ecology  
Derek Sandison, Department of Ecology  
Dan Silver, facilitator  
Jack Snyder, EES Consulting  
Tom Tebb, Department of Ecology  
Dawn Weidmeier, Bureau of Reclamation  
Chad Unland, Department of Natural Resources