

Columbia River Policy Advisory Group History

Compiled 12/1/2017

August 4, 2016--Hal Holmes Center, Ellensburg, WA

Supply and Demand Forecast: Tom Tebb introduced this topic. Jennifer Adam with WSU, showed a PowerPoint presentation. The forecast looks at three areas of potential change: climatic, economic, and water management. Several different models were used.

Discussion and observations from PAG members and alternates:

- Darryl Olson noted three areas which aren't being addressed: no demand compensation for water rights; no programmatic conservation is being factored into the report; and water marketing is not being addressed. He does not believe there is no over-supply, anything available is being bought
- Tom Ring urged caution, noting that conservation is site-specific
- Lisa Pelly thinks groundwater should not be labeled as a policy question; the issue is more data is needed

Additional comments from the PAG:

- Steve thinks it would be useful to use scenarios – distill the big policy buckets into scenarios
- Jennifer said they are ready to develop some scenarios on the Columbia River Treaty, at an appropriate time
- Mike Schwisow asked if they're ready to look at on-call flood control scenarios, or water supply scenarios; Jennifer said they are
- Craig Simpson asked if the called-upon switch for flood control related to only the 7 federal dams, or to all dams; Jennifer said just the seven federal dams

May 12, 2016--Hal Holmes Center, Ellensburg, WA

Future of the Columbia River Program: Neil Aaland noted this has been on the agenda for several previous CRPAG meetings. The original funding provided in 2006, \$200 million in state bonding authority, is nearly gone. What should its future be?

Tom Tebb reviewed three options under consideration for additional funding:

- Be part of a "big water bill" that has been under discussion for several legislative sessions;
- Seek reauthorization of the bonding authority; or
- Seek funding each legislative session for specific projects

Neil asked PAG members to reflect on the program and provide their thoughts on its future.

- Mike Schwisow thinks we should seek a new dedicated bond for the program, and support OCR's normal budget process

- Rich Stevens said the Eastern WA Council of Governments would like to see bonding re-authorized; they also support the pay as you go approach, as needed
- Evan Sheffels thinks we should do all three options for additional funding
- Justin Bezold passed on comments from Lisa Pelly. She would prefer the larger water bill idea but recognizes other approaches may be important as well.
- Jim Brown thinks this fits in well with WDFW's mandate to preserve and protect resources

October 15, 2015--Hal Holmes Center, Ellensburg, WA

Alternative Mitigation Strategies for New Water: The panel for today is Mark Peterson, Peterson and Marquis; Steve Boessow, WDFW; and Dan Haller, Aspect Consulting.

Mark Peterson discussed current mitigation policy. Steve Boessow reviewed WDFW's role in mitigation. Dan Haller, Aspect Consulting, discussed three options: shrub steppe example; proportionate mitigation; crosswalk method and showed some hypothetical metrics. The three presenters then responded to two specific questions: What is challenging about current mitigation options; and what benefits could be realized by greater clarity on mitigation standards?

Mark Peterson said a programmatic approach gets more reliable results. Steve Boessow explained that this is a big challenge. Dan Haller thinks that a market exists. There is demand, supply but the processes are inefficient.

CR-PAG members and alternates had these questions and observations:

- Phil Rigdon is not sure we want to institutionalize the approach to mitigation; the burden may fall back on tribal water rights. Tribes are willing to work through the issues and concerns on individual permits
- Mike supports Phil's concerns; he wonders if the PAG is the right group to champion this. It needs to be statewide
- How would trust water rights be affected?
- How do you foresee this overlapping with OCPI?
- Paul Jewell finds this challenging; it's necessary to use a programmatic approach and we shouldn't oppose that; it's presently hard to go out of basin for mitigation

January 29, 2015--Washington State Farm Bureau Building, Lacey WA

What thoughts do PAG members have about the current proposals in the Legislature? Neil reviewed past PAG agendas that addressed current and future funding issues related to the CR Program. He asked Michael Garrity and Lisa Pelly, to discuss what they know about current proposals.

Michael described the current proposal, which has been introduced as SB 5826. It is intended to address water quantity, stormwater, and flooding infrastructure needs.

Lisa added that the initial bill had some new entities, but also is open to looking at existing entities. It's a big bill with lots of funding; concerns in several areas.

John Stuhlmiller said the three policy topics have great needs, funding is the issue. A parcel tax is very challenging, especially looking at other potential tax issues in this session.

Paul Jewell thinks the fee is thoughtfully written, and sending it to the voters is the best way. Polling shows good support, but sometimes that doesn't result in support at the election.

September 25, 2013--Hal Holmes Center, Ellensburg, WA

Columbia River Treaty-Panel 1: Matt Rea of the U.S. Army Corps of Engineers and Birgit Koehler of the Bonneville Power Administration, two agencies who comprise the United States Entity, provided an overview of the Treaty. The Treaty has no specified end date; however, it has a provision allowing either the United States or Canada to end most of the power provisions in the Treaty with a minimum of 10 years notice, beginning in 2014.

CRPAG members posed several questions:

- What is the strategy for presentation to the State Department?
- You have all argued that regional consensus is key to success. What is the region: the ratepayers or the taxpayers? The counties think that water supply is a major concern that at this time is not adequately reflected in the draft recommendation.
- Regarding water supply, it is a domestic decision. As we look for unity, we don't know if the additional supply would be for out-of-stream or in-stream. It is hard to get backing without knowing the split.

December 13, 2012--Hal Holmes Center, Ellensburg, WA

Methow Valley/Twisp Water Right: Melissa Downes of Ecology and Teresa Scott of the Department of Fish and Wildlife shared their perspectives on policy issues associated with the Town of Twisp's application for a water right, in the context of a set of actions occurring in the Methow Valley. Ecology is considering use of an Overriding Consideration of Public Interest declaration in order to enable a change in time of use, which would assist Twisp with their water rights. The Department of Fish and Wildlife is looking for alternatives to traditional mitigation that are better for fish. WDFW is interested in circumstances that are not simply permit-by-permit or project-by-project decisions, but instead are linked to overall benefits.

CRPAG members and the audience had these questions and observations:

- Shouldn't the real policy question be based on "providing sufficient habitat benefits"?
- In trying to fix the set of issues, it would be wise to include the 67 interruptibles, as part of a more comprehensive, holistic approach.
- We have lost sight of the purpose of in-stream flow rule, which is beneficial use. This is an overwhelmingly positive package for fish. Adding 11cfs to 24 cfs in the Twisp River is huge, against a decrement of a few hundredths of cfs for winter seasonal flow in the mainstem Methow.
- If you layer too many things into the in-stream flow rule, then we get concerned. There is some question as to whether the rule even has relevance to policy on-the-ground.

May 16, 2012--Hal Holmes Center, Ellensburg, WA

Odessa Aquifer Depletion: Paul Stoker, Executive Director of the Columbia River Ground Water Management Area (GWMA), presented the results of a recent study that the GWMA had conducted by GSI Water Solution on the depletion of the Odessa Aquifer.

Mike Dixel of the Department of Health reminded the CRPAG that Health is responsible for assuring a safe and reliable water supply for each community.

CRPAG and audience members offered these questions and comments:

- It appears that the big problems facing the region require significant amounts of money. Given the choice, I suggest that we should make an investment in water supply rather than power supply.
- It may be that the best way to handle efficiencies is to work with the industrial users rather than the residential users, as the industrial parties will have more capacity and flexibility to manage their water use.

February 29, 2012--Washington State Farm Bureau, Lacey, WA

Washington Irrigation Guide: Troy Peters of Washington State University and Leigh Nelson of the Natural Resources Conservation Service briefed the CRPAG on the effort to update the Washington Irrigation Guide. The Guide was updated in 1997, and a supplement was issued in 2005. The Guide has relied on data collected in the 30 years prior to 1982.

CRPAG and audience members raised the following questions and observations:

- Why have you set missing precipitation values to zero rather than treating them as missing data? This seems inconsistent with how you handle other data.
- The new Guide proposes large changes. It needs to be reviewed closely. Irrigators have become comfortable using the old guide. Radical change will be unsettling.
- 10-12 inches of change in the Columbia River Basin is significant. The real question is how Ecology will apply this data to the change and transfer of existing water rights.
- It is most likely due to the new equations and the improved data sets rather than to a change in conditions in the two different 30 year periods.

Water Related Legislation: Evan Sheffels of Ecology reviewed what has happened to this point in the Legislature on water-related legislation. Many bills were introduced; four remain active. These are:

- HB2212 – Ecology sponsored legislation to extend the termination date for Voluntary Regional Agreements.
- SB6044 – A bill that would authorize the Klickitat County PUD to place the Goldendale Aluminum water right into trust for pump exchange.
- SB6312 –A bill to provide a pilot domestic reservation for exempt wells in the Skagit River Basin.
- HB1381 – A bill indicating that the timeline for relinquishment doesn't continue to run while an application for a use change is being reviewed by Ecology.

CRPAG members and others familiar with legislative activities made the following observations:

- Is there any fiscal impact of the VRA bill?
- The exempt well bill poses a problem insofar as it is special legislation for a particular basin, which could set an unfortunate precedent in dealing with systemic issues.
- The issue of rural residential development is the centerpiece to the bill on domestic reservations. It would be better to deal with this issue systematically rather than basin by basin.
- A big focal point in the operating budget is the significant cut to local government budgets, which could affect the integration of land use planning and water use decision making.

September 29, 2011--Hal Holmes Center, Ellensburg, WA

Odessa EIS: Bill Gray of the Bureau of Reclamation and Derek Sandison of Ecology described the emerging preferred alternative on the Odessa EIS. The draft EIS included a full replacement option (273,000 ac-ft affecting 102,600 acres; building both the East High Canal and expanding the East Low Canal) and a partial option (138,000 ac-ft affecting 57,000 acres; construction only in the lower half).

CRPAG members had these comments and questions:

- What is the mechanism for water transfer?
- I like the new preferred alternative. I recommend that the Final EIS be expanded to provide for maximum operational flexibility.
- Diverting this much water from the Columbia River when it is facing deficits in most years under the BiOp is a concern. As pressures increase on the river, we need to find ways to keep the river whole, especially meeting flow targets in the spring. We need more creativity for the spring outflow.
- The CR account is only for the EIS and planning report. Any additional expenditure would require legislative authorization.
- We have had an aggressive conservation program in the Project. But we are also attentive to the impact that conservation has had on fish and wildlife amenities. We need to balance conservation with protection of these facilities.

July 21, 2011--Hal Holmes Center, Ellensburg, WA

Pilot Project on Interruptible Users: Dan Haller described an effort to reduce the number of small interruptible users. Currently there are 379 interruptible users subject to water availability restrictions. Ecology is looking to reduce the number of interruptible users and thereby reduce the number of transactions in a drought to make it easier to manage. The tool it would rely on is application of the Overriding Consideration of Public Interest (OCPI) provision of the water code.

Ecology is considering three options;

- 1) Acquire additional consumptive water every year in trust and remove an equal number of interruptibles.
- 2) Hold primary reach water in a key tributary every year in trust and remove some interruptibles.
- 3) Fund habitat, land acquisition, side channel restoration, or fish barrier removal projects and remove some interruptibles.

CRPAG members had these questions and observations:

- Would the water affected be in addition to the increment of Lake Roosevelt water targeted to drought users?
- Another strategy to add to the plan is to recalibrate water rights; it is likely that if you did, the name plates would drop.
- Be careful about the third option. It could have unintended consequences. There are many pots of money for habitat improvement right now.
- Would Ecology be interested in a conservation bank for steelhead habitat?
- Is the OCPI individual or programmatic in application?
- WDFW is interested in this proposal. There are circumstances where flow alone isn't the issue for fish. We need to set up sideboards around this.

May 25, 2011—Central Washington University, Ellensburg, WA

Lake Roosevelt Water Rights: Dan Haller led a discussion on policy options facing Ecology as it considers 200 pending applications requesting supplies from the 25,000 ac-ft of Municipal and Industrial water from the Lake Roosevelt Storage Project.

CRPAG members had a significant number of comments:

- How would Ecology view the application if a lot of money is spent, but the investigation turns up with the wrong answer?
- Some applicants are grumpy because they think their project isn't viable without the entire amount of water. In most cases, one of the uses is agricultural, which cannot be permitted with this water
- State law has a different definition of municipal, so are you considering whether to add domestic use in addition to municipal use in your appropriation process.
- I'm uncomfortable with Ecology declaring appropriate or inappropriate use.
- I agree with the splitting up of the application so they may use the M & I portion of their application.
- On municipal use, the Department of Health wants to reduce the number of small water systems. Ecology should select options that provide for service by bigger systems, rather than provide an incentive for proliferation of smaller systems.
- Six years is too short a time period for water rights for a city. It would be preferable to keep these rights consistent with the Comp Plans, which have a 20-25 year horizon.

August 18, 2010--Hal Holmes Center, Ellensburg, WA

Proposed Columbia River Legislation: Derek Sandison, Karen Terwilliger, and Dan Haller reviewed a draft legislative proposal that Ecology is preparing to send forward to OFM. The legislation as drafted has four substantive areas.

1. Sullivan Lake Reoperation-- Proposes an explicit change in the application of the Hillis rule, such that the 6 counties of Northeast Washington would have access to 14 kaf of water from storage project at Sullivan Lake.

CRPAG members offered these questions and observations:

- We are concerned about moving priorities and a new allocation scheme. If health and safety are at issue, then Hillis allows these communities to move up in line without this legislation.
- Ecology needs to clarify the language "off-set." [It might be better to say "supply or offset."

2. Expanded Storage Allocation--Proposes distributing the 1/3-2/3 split (for in-stream/out of- stream) to be calculated on an aggregate rather than project-by-project basis.

CRPAG members offered these questions and observations:

- How will you deal with the timing of the calculation, since all projects don't come on at once?
- I have a concern the geography of this issue, that is, if storage in one area goes all to fish and in another goes all to out-of-stream use. This does not make a healthy ecosystem. It might be better to apply this on a watershed basis.

3. Expand Cost Recovery Authority-- Proposes to provide authority to Ecology to recover annual administrative costs of delivering new water projects.

CRPAG members offered these questions and observations:

- We should consider a Constitutional amendment for this account.
- I suggest that the language read “direct costs.”
- I have a problem with the regulator setting the price of water. I don’t have an issue with an end user paying for new water.
- This idea of a revolving loan is not unique. In Yakima County we have set up an account for economic development that encourages parties who have some skin in the game. Section 2 of 90.90 should help you deal with the concerns raised, but make sure you tailor the language to address the obligation.

4. Pump Exchange Definition Clarified--Proposes counting pump exchanges as storage projects when calculating the 2/3 share.

CRPAG had these suggestions and questions:

- There is some relation of this portion to the “aggregate” language suggested earlier.
- Can we make the language more general to “interties” rather than only pump exchange.

May 5, 2010—Central Washington University, Ellensburg, WA

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.

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. 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.

CRPAG members had these observations:

- If Oregon doesn’t participate, Washington should not commit \$40m.
- 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.

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. 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:

- 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.
- Two projects in the list have multiple benefits; Ecology needs to bring those other benefits into the decision making.
- The demand study will not tell us what the "pain threshold" is. That will still be a policy 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.
- We need to look at a balance of where the projects are: How many people are benefiting? How much habitat is benefiting?
- 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.

November 12, 2009--Hal Holmes Center, Ellensburg, WA

Ecology Biennial Activities: Derek Sandison reviewed activities that Ecology has undertaken since the passage of the Columbia River Bill, setting the stage for planned activities this biennium. Ecology has undertaken five types of projects and/or actions: (1) provide alternatives to groundwater in the Odessa, (2) prepare to process pending water rights from several large projects, (3) develop new supplies for interruptible users for use during a drought, (4) develop new long-term water supplies, and (5) improve instream flows for fish.

CRPAG members had these observations and questions:

- The bucket diagram should show new water versus conserved water. Ecology needs to focus on issuing permits (the empty bucket).
- Ecology should put Canadian storage on its long-term list.
- Regarding dealing with allocations to tributaries: it is not possible to have a one-for-one relation of instream and out-of-stream benefit on each project. Therefore, we will support improvements in the tributaries where there is no demonstrable out-of-stream benefit but in order to achieve equity, we must have out-of-stream benefits on the mainstem.

Technical Assistance Grants: Bill Eller of the Conservation Commission reviewed the 2009 process for assessing projects that competed for technical assistance grants. This year's funding criteria required that projects either modify existing storage or provide new surface storage within the next year. Nine applications were received.

CRPAG members had these questions and observations:

- I am concerned about legislative scrutiny. We need to keep a focus on permissible water.
- Big projects will need to stand on their own merits in terms of the allocation formula. It is impossible to get instream/out-of-stream allocation on each of the proposals. We need to find equity elsewhere.

- If these projects that don't produce out-of-stream water are coming exclusively from the one-third pot of money in the account, that is not a problem. But if they are eating into the two-thirds bucket, that is a concern.
- The KID project is very expensive and controversial regarding its impact on fish.
- I am concerned that we are starting to degenerate the discussion to our own perspectives. The projects should be funded if they have merit.
- Unless we can deal with return flows, conservation projects will not yield permissible water.

September 9, 2009—Central Washington University, Ellensburg, WA

Agricultural Conservation: Derek Sandison led a discussion of potential legislation related to conserve 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. 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:

- 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.
- 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.
- Economic capacity is important to use. We need to use production to produce revenue to fund agencies.
- 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.

March 5, 2009—Tumwater Valley Lodge, Olympia, WA

Legislation and Budget: Dan Haller, Derek Sandison, Mike Schwisow, John Stuhlmiller, and Mo McBroom briefed the CRPAG on water related bills that were still active in the session. Two bills sponsored by Ecology are still alive, one pertaining to water banking and the other to streamlined adjudication. Other bills still in play concern stock watering, reclaimed water, and a pilot for watershed planning in Walla Walla. Multiple amendments have been offered on these bills and folks are still working them.

CRPAG members and attendees had these comments and observations:

- Ecology opposes the bill due to its hit on the river from retroactive application and because of relinquishment. Ecology is not against the prospective conservation elements.
- Because there is no relinquishment clarity from Ecology, irrigators might increase their water use to fully apply their water right.
- Irrigators invested in existing conservation measures for other financial considerations, not those offered by this bill.
- Fish and Wildlife is opposed to the retroactive provisions of this bill, as they would take water out of the stream.
- The environmental community has concerns about the retroactive provisions. We are also concerned that some language of this bill reneges on the 2006 Columbia River bill.
- The Yakama Nation has serious concerns about the retroactive application. This bill does not fit well within the collegial approach to water issues that we seek from the CRPAG.

Area of Origin Study: Larry MacDonnell, an independent consultant from Boulder, Colorado, briefed the CRPAG on the report he recently completed titled “Protecting Local Economies”. During the last legislative session a bill was offered which would have precluded private water transfers from one WRIA to another. This bill did not pass. Instead, Ecology was directed to contract for a report on the water transfer experience of other states and in northeast Washington counties.

CRPAG members and attendees had these comments and questions:

- Some of the issue is around the quantity of water. It seems like we should not be pre-occupied by transfers of small amounts.
- Protection of instream flow does not seem to be a consideration in the debate, which is a problem when you have over-appropriated streams.
- Were there any public interest tests considering the viability of the agriculture institutions or conveyances?
- It is important to remember that much of the economic issue of water transfers in the northeastern counties is due to a change in the economics of apples being grown there.

December 3, 2008--Hal Holmes Center, Ellensburg, WA

Municipal Water Conservation: Mike Dexel of the Department of Health (DOH) and Dan Haller described the 2008 water efficiency goals that were set by 28 Eastern Washington municipalities in response to new requirements under the Municipal Water Act. Efficiency goals must indicate measureable savings and a timeframe for achievement. The top priority for municipalities is to reduce leaks in their systems.

Dan Haller then posed the policy question to the CRPAG, What requirement regarding conservation standards should Ecology impose on Lake Roosevelt municipal permits? Ecology has heard from the CRPAG that it should be more aggressive in looking for conservation opportunities. What about creating a pilot water conservation program for a community that wants to focus on reduction of outdoor water use, persistent customer education, construction of water efficient homes, rate structures that reduce demand, and the like?

CRPAG members and attendees had these comments and observations:

- It is not a surprise to see that municipalities have only set minimum conservation goals; It is not a true measure of what communities might achieve.

- We need a top-notch advertising firm to help figure out how to change perceptions of a status lifestyle, regarding large green lawns. Can we get a study on social marketing?
- Ecology needs to look at the Growth Management Act. GMA forces us to consume more water, by creating large lot sizes in rural areas.
- The State should not just say “conserve through new rate structures”; it needs to help municipalities find the way to make conservation work.
- We will be better off focusing on technology such as rain or moisture water sensors rather than telling them they can’t have a green lawn.
- How much will it cost to create conservation incentives? Will the cost be more than the improvement?

August 13, 2008--Hal Holmes Center, Ellensburg, WA

Projects Review: Dan Haller reviewed the projects that were proposed for funding, including those which had come forward through the Technical Advisory Group (TAG) process and those which had come forward through the Columbia River Implementation Team (CRIT) process. Dan also provided information on the spending of money to date, including \$16 million from the State Construction Account which preceded the Columbia River account and \$2 million from the Operating Budget

CRPAG members made the following observations:

- What happens when you deplete the one-third non-storage piece?
- The conservation account should more appropriately be called the “non-storage” account because it is covering a blending of benefits, not just conservation.
- This is the first splitting of the dollars. We need to address the policy issues.
- The one-third is supposed to be for immediate needs, not necessarily new storage. That means that it is not necessarily for fish benefits.
- We should not micro-manage this list. Leave it to the discretion of the department to adjust the percentage of the funding.
- WEC and American Rivers have some concerns about the KID proposal. It is a huge burn rate in the non-storage slice of the pie for a project that didn’t go through the TAG process.
- I have some concerns, but I like the transparency of what Ecology is doing, especially by putting FDR on the list so we can all see that it is under consideration.
- I like the small storage. I am concerned that investing in the Colville proposal suggests that we are buying into far too much future demand than seems warranted at this point.
- Endorsement of these projects is not carte blanche approval. We need to get regular updates on all of these projects and keep the department accountable.

October 24, 2007—County Courthouse Council Chambers, Ellensburg, WA

Priority Stream Reaches: Teresa Scott briefed the CRPAG on the rankings of tributaries of eight critical basins in Eastern Washington. The Department of Fish and Wildlife created this ranking system to make better informed decisions. The ranking system will be one component used in the recommendations from the Technical Advisory Committee (TAG) on project proposals to Ecology.

CRPAG members had these questions and comments:

- This information should not be used just for fish recovery, but it does show how to get the best bang for the buck in terms investing in water supply which also protects water for fish in a bucket-for-bucket arrangement..

- In terms of watershed plans, it's important that acquisition get looked at by planning groups within the watersheds where Ecology intends to acquire water rights.
- Information in the Walla Walla needs to be updated. Conditions are now dramatically different than reflected in the watershed maps

Discussion of Demand: Gerry O'Keefe posed a set of questions to the group to seeking reactions about the rough data that Ecology has put together. Where are the soft spots in its thinking to date? Are the estimates on the high side or low side? Have we missed some demand variable?

CRPAG and audience members made a number of observations:

- It would be useful to get a briefing from the policy subgroups on climate change, when they have completed their work.
- It would be useful to get a range of assumptions on crop duty.
- Ecology should add the mainstream instream flow to the demand need.
- The Odessa Subarea needs to get a tighter water duty, given the massive public investment there.
- There is a lot of acreage in dry land wheat. This is a huge latent demand if this acreage shifts from its current dry land use, as precipitation patterns change.
- More flexibility or incentives with relinquishment could provide us additional supply options.
- Demand should not be a visionary thing. We should be hard-nosed pragmatists, influenced by economics, politics, and the regulatory reality. Irrigators have de-facto reduced crop duty.
- Ecology should help articulate a range of policy choices on demand.

September 19, 2007—Kittitas County Event Center, Ellensburg, WA

Legislation and Rulemaking: 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. Regarding the drought supply, Ecology is interested in discussing with users the value of allocating net benefits during a drought.

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

- 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?
- Ecology should not create a problem that doesn't exist.
- We need a wider discussion regarding unintended consequences. Ecology seems to be moving too quickly.
- 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.

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. 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.

June 6, 2007—Department of Ecology, Yakima, WA

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:

- The application doesn't stress enough of the economic benefits to the State.
- We need to check the criteria sheet so that it doesn't exclude exchange projects, which are different than storage projects.
- Ecology should provide technical staff to help people with the application process. Entities like conservation districts, watershed planning units and non-profit entities could also play a role as the funding program evolves.
- We need to consider the extent to which other funding is available; those projects should be ranked higher.
- 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

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." Ecology has begun to plan for future droughts, based on its experience in 2001.

CRPAG members posed these comments and questions:

- 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.
- 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. 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.
- 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

April 18, 2007—Tumwater Valley Lodge, Tumwater, WA

Funding: Dave Burdick reviewed a set of materials related to project funding criteria and the funding process.

CRPAG members offered these observations:

- It might be useful to leverage other monies by requiring joint funding. Ecology plans to fit the funding percentage to the percentage of water reaching the Columbia River. Ecology might want to rethink this idea, insofar as there might be good projects that would not be funded simply because water wasn’t returning to the Columbia.
- Ecology intends to acquire water via an auction. Ecology will be attentive to local WRIA input on the auctions. County commissioners may want to keep water in their watershed.
- We need to be careful about the legal requirements for transfer. There is a lot of on-going work matching up willing sellers and buyers. The bottom line is that more homework is needed before Ecology undertakes a water auction.
- Some of the terms of the grant pre-application template are ambiguous. It is not clear what Minimum Criteria means. It is not clear what Harmonized means. It is not clear what Consideration of the Ability of High Scoring Projects to Deliver Water means. Additional work is needed to clarify these terms.
- There is a need to consider the instream flow needs of a given geographic area. It might be useful to deal with this issue sooner in the application process.

March 1, 2007—Tumwater Valley Lodge, Tumwater, WA

Funding Criteria and Technical Advisory Committee: Dan Haller and Gerry O’Keefe reviewed the current template showing the process for developing water supply through Columbia River Basin Water Supply Development Account and how funding criteria would be applied to projects.

PAG members offered the following observations:

- It would be better to name the Account with the same language used in the Columbia River bill.
- Watershed planning needs to play a more prominent role in evaluating projects. There should be an additional box inserted into the template titled “To WRIA for review and comment.” County commissioners will consider where and how the template should be amended regarding WRIA reviews and bring suggestions to the April 18 meeting.
- There should be more attention to efficiency in two respects: (1) the process should send clear signals to potential applicants who might be able to add to the region’s water supply. These

projects should go through an early, upfront screening before being subject to a more extensive application process. (2) Applying the same funding criteria from the TAG process to the Ecology process for new large off-channel storage review may add value to the Ecology review. Different types of projects (e.g., new large off-channel storage, acquisition) may go through different types of Ecology and other environmental review, such as SEPA. This should be described more precisely.

- Fisheries co-managers should be added to the Ecology review side of the template when expertise is needed for the review of benefits for fish.
- There should be further consideration of the permanent water threshold for projects that are reviewed by the TAG. It might be useful for the TAG to evaluate the permanency of all water applications. Projects that deliver permanent water should be prioritized over those that would make water available over a limited period of
- Acquisition projects might better be handled within the context of the TAG process rather than the Ecology process.

January 25, 2007—Department of Ecology, Lacey, WA

Mission and Goals: Dan Haller and Gerry O’Keefe shared a draft paper that Ecology had prepared to reflect the Vision, Mission, Goals and Objectives of the Columbia River Resources Management Program. Based on the discussion Ecology will develop new draft language. It will share this language with the Executive Committee, get comments, and then provide a new version to the PAG for discussion on March 1.

PAG members expressed a variety of comments:

- The vision is good. The goals and objectives need to be quantifiable. The language is too vague.
- The objectives go inappropriately beyond the language of the legislation. We need to capture the legislative language and the proper role of Ecology.
- Ecology has an affirmative obligation to evaluate supply options, not to develop storage. Need to identify a full range of the tools and use them to make good decisions
- The objective on data needs to be more balanced, right now we have inadequate data, better data is needed to support better decision making.
- Storage should be a greater part of this vision. Right now it is one sub-bullet and isn’t even in the title. The legislation is specific that two-thirds of the money in the Account is for new storage.
- There is a lot of out-of-stream focus. We need to restore the economic viability of fisheries which have sustained people for hundreds of generations. Need more of a focus on in-stream use.
- The mission statement should seek a balance. We shouldn’t be overly sensitive at any given moment as long as the balance is kept overall
- We need to be explicit that the shortage of water is for salmon habitat and for out-of-stream uses. Don’t think that the one-third/two-thirds ratio is carved in stone. To resolve the problem of storage, we need to first address tribal rights.

Programmatic Environmental Impact Statement Policy Alternatives: Derek Sandison gave a preview of the preferred alternatives selected by Ecology that are currently planned for announcement in the final programmatic EIS. Once this document is published in mid-February, Ecology will begin working on policy and process decisions to implement the Program.

PAG members offered these comments:

- It is a surprise that Ecology thinks it has rulemaking authority, when the discussion last fall with the Assistant Attorney General suggested otherwise.
- There needs to be a process of clear accountability on the cost sharing for water supply projects and for mitigation water.
- The Administrative Procedures Act will inform where you should go from policy alternatives to rulemaking, if at all.
- Ecology should be careful in asking senior applicants to step aside for a water application under a VRA.

December 14, 2006--Hal Holmes Center, Ellensburg, WA

Draft Programmatic Environmental Impact Statement: Derek Sandison reviewed the comments Ecology received from 80 parties on the Columbia River Draft Programmatic Impact Statement (DPEIS). Derek and Dan Haller highlighted several of the policy issues identified in Chapter 6 of the DPEIS for the PAG.

PAG members offered these comments:

- 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. 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.

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.

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.

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; 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.

PAG members offered these comments:

- We need a broader definition of conservation. We should define the benefits of conservation to get water.
- 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.

Discussion of On-going Work: Dan Haller of Ecology and Darryl Olsen of the Columbia/Snake River Irrigators Association (CRISA) briefed the Group on voluntary regional agreements (VRAs). Dan reviewed those provisions of the Columbia River Bill related to VRAs.

Members of the Group made the following observations:

- Confidence in the VRA will depend on the degree to which Ecology can assure that the water will go where it is supposed to go.
- There is a concern about the notification and consultation provisions for the VRA, particularly as they relate to tribes. There is a need to deal with tribal issues, including fish-related issues.
- There should be no negative impact on the Columbia River from water rights issued under the VRA.
- It is important to be attentive to the provision protecting flows in July and August, but also to the other 10 months as well.
- There should be some provision or indication of who in CRISA would be involved in the VRA and who would not be participating.
- The VRA as presented does not give a clear indication of the benefits or whether the mitigation is adequate. It would be useful to create a hypothetical scenario or case study to provide more clarity.
- There should be upfront transparency as to how the VRA would work, prior to approval.

September 18, 2006—Central Washington University, Ellensburg, WA

Discussion of On-going Work: Gerry O’Keefe and Derek Sandison described a number of ongoing studies that are examining potential new sources of water including: studies about improving delivery of water to the Odessa and studies of potential large, off-channel storage sites.

Members of the PAG sought to understand how all of these efforts fit together and how they affected one another. The Group thought that it would be useful if Ecology could articulate a framework for all of this work, and indicate the collective impact of the projects and programmatic activities. The Group felt that one of the main ways they might add value is not in project-by-project assessment but in helping to fit all of the pieces together.

Members also raised the following points:

- Several people indicated they would like to keep a greater focus on in-stream flow and the protection of fish during analysis of projects and the water management activities.
- It would be useful to have some indication of a baseline conditions so changes from the baseline can be evaluated.
- It would be useful to understand what all these activities mean to Oregon and to learn what Oregon is doing that might affect the Columbia River.

Dan Haller of Ecology and Darryl Olsen of the Columbia/Snake River Irrigators Association (CRISA) briefed the Group on voluntary regional agreements (VRAs). Dan reviewed those provisions of the Columbia River Bill related to VRAs.

Members of the Group made the following observations:

- Confidence in the VRA will depend on the degree to which Ecology can assure that the water will go where it is supposed to go.

- There is a concern about the notification and consultation provisions for the VRA, particularly as they relate to tribes. There is a need to deal with tribal issues, including fish-related issues.
- It is important to be attentive to the provision protecting flows in July and August, but also to the other 10 months as well.
- There should be some provision or indication of who in CRISA would be involved in the VRA and who would not be participating.
- The VRA as presented does not give a clear indication of the benefits or whether the mitigation is adequate. It would be useful to create a hypothetical scenario or case study to provide more clarity.
- There should be upfront transparency as to how the VRA would work, prior to approval.

August 18, 2006—Ellensburg Inn and Conference Center, Ellensburg, WA

Timing and Issues of Programmatic EIS: Derek Sandison, regional director of Ecology for central Washington, briefed the Group on the programmatic EIS now underway. Ecology has hosted four scoping meetings and received numerous comments.

Derek sought members' perspectives on whether Ecology should initiate rulemaking on changes in the issuance of water rights, particularly for people covered by voluntary regional agreements, and/or project funding. The Group offered a number of perspectives and requested a briefing on the legal considerations from the Attorney General's Office. The Group also agreed that it would be a useful enterprise to seek a consensus on preferred alternatives in the EIS.

Initial Perspectives on Project Funding Criteria: Dick Erickson, Phil Rigdon, and Jon Culp offered some initial perspectives on project funding criteria. Dick recounted efforts to get additional water to the Odessa sub-area of the Columbia Basin development project. He identified 49 conservation projects that generated water for the Odessa project, for fish, and for municipal and industrial uses.

Phil Ridgon described several of the paramount conditions of the Treaty of 1855, including the reserved rights the Tribe has for fish in the Columbia system. Restoring salmon is an imperative.

Jon Culp recounted his work with the Conservation Commission on project funding. His initial sense is that small off-channel storage projects would provide the best bang for the buck. The funding should be spent on true conservation, for both on farm and environmental benefit.

The Group made the following observations:

- A briefing on legal considerations of rulemaking by the Attorney General's Office.
- Coordination of bill implementation with other federal processes (e.g. Columbia hydro system biological opinion, salmon recovery plans) governing river management.
- The potential for a detailed review of several particular unmet needs, to move from the abstract to a particular case.
- Ecology's schedule and timeframe of other pieces it has in motion and when it will have a process in place to evaluate projects.
- The universe of projects that Ecology is working on and the process for approval, the timelines, and the category of review

