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Chair  
Montana

Rhonda Whiting  
Montana

W. Bill Booth  
Idaho

James A. Yost  
Idaho



Dick Wallace  
Vice-Chair  
Washington

Tom Karier  
Washington

Melinda S. Eden  
Oregon

Joan M. Dukes  
Oregon

## **Council Meeting Portland Oregon**

**November 9-10, 2010**

### **Minutes**

#### **Reports from Fish and Wildlife and Power committee chairs:**

Bill Booth, chair, fish and wildlife committee; Tom Karier, chair, power committee.

Fish and Wildlife Committee chair Bill Booth reported the committee had an in-depth presentation on the biological opinion for the Willamette River basin. It is a 15-year biological opinion, with \$30 million allocated for recovery measures, he said. We also had a presentation from Brett VandenHeuvel of the Columbia Riverkeepers about the organization's goals and mission, Booth said, and staff presented a number of project reviews. Three projects are up for decisions on funding and/or scope at this meeting, and the committee gave the three positive recommendations, he stated.

The committee also received a staff update on the research, monitoring, and evaluation (RM&E) and artificial production categorical reviews, he stated. The F&W Committee will take up a final list of RM&E projects in February and may have an extended meeting to go over them, Booth concluded.

Tom Karier, Power Committee chair, said the committee met via GoToMeeting on November 1. Jeff King gave a status update on an event with overgeneration that we saw in June. Staff is doing more analysis of the circumstances – high hydro combined with high wind generation and low loads – and the resulting effects on the market and potential for negative pricing. During these events, spill can exceed the limits in the Biological Opinion, and avoiding this problem will be a challenge. John Fazio briefed the committee on major revisions to the region's adequacy calculation, explaining the concept of "borrowed hydro" and how its availability affects adequacy. Fazio's report also covered the need for the region to assess contingency reserves. Charlie Grist briefed us on the 2011 work plan for the Regional Technical Forum, and Ken Corum made a presentation on the analysis that is being done to see whether water heaters could be used to store and back up intermittent generation.

## **1. Update by Bonneville Power and the U.S. Army Corps of Engineers on Columbia River Treaty studies:**

Steve Oliver, Bonneville Power Administration; Jim Barton, U.S. Entity Co-Chair, Columbia River Treaty Operating Committee; and Matt Rea, Program Manager, Columbia River Treaty Studies, U.S. Army Corps of Engineers.

Steve Oliver of BPA and Jim Barton of the Corps of Engineers, co-coordinators for the U.S. Entity for the Columbia River Treaty, brought the Council up to date on the results of preliminary studies about how changes to the Treaty in 2024 could affect power generation and flood control in the United States.

Oliver reviewed the Treaty provisions, noting that under the 1964 agreement, Canada must operate 15.5 million acre-feet (Maf) of reservoir storage for optimum power generation downstream in Canada and the United States. BPA and the Canadian operators conduct joint studies to determine the optimum power production, he said.

The United States delivers one-half of the estimated downstream power benefits (known as the Canadian Entitlement) to Canada, Oliver explained. The Entitlement is currently worth about \$200 million to \$300 million annually, he said. In addition to the power benefits, the United States purchased 8.45 Maf of “annually operated primary flood control” for 60 years, Oliver stated. The 1964 Treaty provided the impetus for developing the Pacific Intertie and spawned regional power coordination agreements, Oliver explained. The Treaty has no specified end date, but either Canada or the United States can give a 10-year notice in 2014 to terminate most of the provisions as early as September 2024, he continued.

Independent of the Treaty decision – to terminate or not – the current assured flood-control operating procedures will end in 2024, he said. When the flood control was purchased from Canada, it was presumed the United States would continue to develop flood-control dams on the Columbia, Oliver said, which didn’t happen.

Eden asked what the United States paid for the original flood control, what it would cost in the future, and whether ratepayers would be responsible to pay for it. Oliver said the payment was \$64 million. He explained that the new arrangement would be “called-upon” flood control, as opposed to the United States having designated space in Canadian storage reservoirs. There will be costs associated with the called-upon operation, but the United States “will attempt to stand on its own” with flood control as much as possible, Oliver said.

Barton said the current Treaty provides for “on-call” flood control in addition to designated storage. The additional protection has never been called upon so we never worked through the details of the funding, he acknowledged. But we assumed it would be paid with “appropriated money,” Barton said, adding that this cost is an issue in Treaty negotiations.

Oliver spelled out the effects of the 2014 Treaty decision on power operations. If it continues, coordinated annual planning for optimum power production would continue and the United States would continue to pay for the Canadian Entitlement, he said. Continuation would also mean certainty in Canadian storage operations, Oliver added.

With termination, British Columbia would operate the Treaty projects for the benefit of Canada, except for the called-upon flood control operations, he said. The United States would continue to coordinate with Canada on the operation of Libby and the Canadian Entitlement would cease to exist, Oliver stated.

Barton pointed out that regardless of what we do with the Treaty, we have to deal with flood control. Under the operation after 2024, the United States would request called-upon storage, which is limited to potential floods that cannot be adequately controlled with U.S. storage, Barton explained. The called-upon storage is not to provide a greater degree of flood control after 2024 than existed prior, and the United States must pay for operating costs and any economic losses in Canada due to the operation, he said.

Barton said the Corps operates U.S. reservoirs at “non-damaging” levels, which are in the 400 kcfs to 450 kcfs range at The Dalles. In the Phase 1 studies, we looked at 450 kcfs and 600 kcfs at The Dalles, he said, adding that damage starts around 450 kcfs and is “major” at 600 kcfs. Oliver went on to explain the Phase 1 studies. The studies were conducted jointly by the U.S. and Canadian entities. Barton explained the driving assumptions for flood control in the Phase 1 studies, which provide a starting point for refining future modeling of the called-upon operation. The studies looked at how often the called-upon operation is likely to be used and what could effectively be done to control floods in the United States, he indicated.

Jim Yost asked if use of the U.S. projects for flood control meant they would be drafted more deeply, stay that way longer, and potentially not refill. Matt Rea of the Corps said that was true. But operating the Canadian reservoirs for power has “a corollary benefit” for flood control, he said.

Oliver reviewed the driving assumptions for power generation, including future loads and resources and Canadian operating scenarios. He added that the Phase 1 studies are “a starting point.” The answers in the studies are not going to be used as the basis for the Treaty decision – “they are very assumption-driven,” Oliver said.

Oliver outlined key results, which include a decrease in Entitlement energy over time but an increase in capacity. Overall, without the Treaty, the average annual energy production in Canada and the United States doesn’t change, but the monthly shape varies from the coordinated operation with the Treaty, he said. Without the Treaty, the U.S. hydro system has less ability to meet firm loads in the critical period, Oliver reported. We also found when we coordinated for power, there is more value for flood control than we realized, he added.

The Phase 1 results for flood control depend on the level of protection that is needed at The Dalles, Barton reported. The United States must show “effective use” of its own storage post-2024 before calling on Canada for flood protection, he explained. According to the studies, when U.S. storage is used, federal projects had to be drafted deeper more often, and there were a few additional refill failures compared with current flood control, Barton said.

The United States prepared a supplemental report to the Phase 1 studies dealing with the Biological Opinion and other fish operations, Oliver said. Among the results, with or without the

Treaty, the addition of fish operations to the studies reduced U.S. generation by 1,600 annual average megawatts (aMW), he reported.

Terminating the Treaty reduced U.S. generation only a small amount, but the month-to-month shape changed, with more generation in the winter and spring and less in the summer and fall, Oliver said. Assumptions about flood control were the biggest variable in whether fish operating criteria could be met, he added.

Barton went over the considerations for flood-risk management and studies that need to be done to shed light on them. Dick Wallace asked if those studies would include consideration of climate change, and Barton said they would. The schedule for the studies is challenging and “we are pushing hard,” he stated. We plan to come up with recommendations by September 2013, Barton said.

Oliver wrapped up with a list of considerations from the U.S. entities’ perspective. Among them, he said there is a significant benefit to certainty about operations on an international water system such as the Columbia. The expectation is that called-upon flood control operations will be needed post-2024, and how much is needed and what it will cost have to be evaluated, Oliver said. Reservoirs in the United States may have to be operated much differently for flood control post-2024, he noted. And many of the current U.S. operations, like the Biological Opinion, are not considered when determining the Canadian Entitlement, Oliver said.

The U.S. State Department will decide about any amendment or termination of the Treaty, with any amendments subject to Senate approval, he continued. The State Department expects the U.S. Entity – BPA and the Corps – to provide a recommendation on the future of the Treaty, and the plan is to do that by September 2013, Oliver stated.

In addition to more studies and the flood-risk management effort, the next steps in the process include carrying out an “engagement plan” to define the interests of other stakeholders in the region, he said. We have pulled together a policy team and asked them for recommendations for a technical team, Oliver said. And we are considering regional workshops and/or joint meetings to gather concerns and input from stakeholders, he concluded.

## **2. Update on Columbia River Treaty Symposium:**

Aaron Wolf, Oregon State University.

Staffer John Shurts introduced Professor Aaron Wolf of Oregon State University, a specialist in transboundary water conflicts and conflict resolution. Under Wolf, who is chair of the Geosciences Department, OSU has compiled a database covering hundreds of international water bodies and come up with principles that work best in transboundary treaties and agreements, Shurts explained.

Wolf said he started a couple of years ago to formalize an arrangement “to offer something” to the Columbia River Treaty process. Through the Universities Consortium on Columbia Basin Governance, OSU and other university partners are offering symposiums on the Treaty “where

people can talk openly” about the issues, he explained. The consortium is a place “to have informal conversations,” Wolf stated, adding that nothing that takes place “is for attribution.”

The first symposium last year at the University of Idaho was very technical, he continued. A second meeting November 7-9 at OSU “was very creative” and “everything was open for discussion,” he said.

Participants “across the board” said the symposium was valuable, Shurts stated, and that another one will be in the planning process soon.

### **3. Presentation on Hatchery Science and Policy Developments:**

Bill Bosch, Yakama Nation; and Paul Lumley, Executive Director, Columbia River Inter-Tribal Fish Commission.

Bill Bosch of the Yakama Nation presented data in support of supplementation as a way to increase natural salmon production. Appearing with Columbia River Inter-Tribal Fish Commission (CRITFC) executive director Paul Lumley, he started out by defining supplementation as “the use of artificial propagation as a way to maintain or increase natural production while maintaining the long-term fitness of the target population and keeping the ecological and genetic impacts on non-target populations within specified limits.”

We believe there are “confounding” factors that were not taken into account in the studies that Mike Ford of NOAA Fisheries presented to the Council in September, Bosch indicated. Those studies tended to show a lack of reproductive success with hatchery-origin fish, he said. Bosch went on to explain how the type of broodstock and hatchery location can affect reproductive success.

In summary, Bosch said supplementation can help increase natural production. In addition, he said, research shows supplementation hatcheries can be managed to maintain long-term fitness of natural populations, and any negative hatchery effects are reversible.

Lumley said the tribes want to start a dialogue with the Council on hatcheries. We are trying to make hatcheries work as much like the natural environment as possible, he said. The tribes are looking to get the Endangered Species Act “off our backs” and get on the way to delisting of species, Lumley stated. There are successes to talk about and we need to tell those stories, he said. Lumley noted the NOAA Fisheries’ draft Mitchell Act Hatchery EIS “focuses on the negative.”

Karier asked if it would be useful to have an independent science panel look at the hatchery studies and results. David Fast of the Yakama Tribe said there are lots of varied monitoring and evaluation processes in the region, and better studies are needed on reproductive success. We’re in agreement about what needs to be done, and we are making progress – you’ll see more results, he said.

Lumley pointed out there are two types of hatcheries: one is for meat production for harvest and the other is for conservation. We have a resource policy dilemma over the proper mix of the

two, he said. It would be nice to have agreement about that and be able to go to Congress with it, Lumley indicated.

Wallace asked if one measure of success for supplementation hatcheries is that “at some point they won’t be needed.” That’s a great conversation to have, Lumley responded. “We’re a long ways off,” but there is a question of what happens to hatcheries if we get there, he said.

#### **4. Discussion and Possible Endorsement of the Willamette Wildlife**

##### **Agreement:**

Karl Weist, Oregon staff member; Lorri Bodi, Acting Vice President for Environment, Fish and Wildlife of the Bonneville Power Administration and Chris Wheaton, Northwest Region Manager for ODFW.

Lorri Bodi of BPA reported on a final Memorandum of Agreement (MOA) the agency has entered with the Oregon Department of Fish and Wildlife (ODFW) to mitigate for wildlife losses in the Willamette River Basin. Since the MOA became final October 22, BPA has closed on two parcels in the basin, the Wildish and Trappist Abbey properties, she said.

Bodi said BPA factored comments received on the draft MOA into the final. This included bolstering “the permanence of satisfying the federal wildlife responsibilities” in the Willamette and clarifying provisions related to fish habitat benefits relative to the Willamette Biological Opinion, she said.

Chris Wheaton of ODFW said the MOA has new long-term provisions for operations and maintenance (O&M). ODFW can use a “stewardship account” to cover O&M, enhancement, and evaluation activities, he said, adding that the agency will produce an annual report on the account.

Staffer Karl Weist pointed out that not every project in the Willamette is wrapped into the MOA. Three projects are not included, he said: an Amazon Basin/West Eugene wetlands project and a Tualatin River enhancement project, which are under the sponsorship of the Nature Conservancy; and O&M on the Wildish property, which will be overseen by the U.S. Fish and Wildlife Service. Weist also said the final MOA is consistent with guidelines in the Council’s fish and wildlife (F&W) program.

Wheaton said the next steps are to establish a collaboration group with tribes and stakeholders, develop project selection criteria and submit them for independent science review, and solicit for new acquisitions

Cheryle Kennedy, chair of the Grand Ronde Tribal Council, told the Council the Confederated Tribes of Grand Ronde “do not endorse the MOA” because there was not appropriate consultation with the tribes. The Grand Ronde are concerned that the MOA lacks specificity about the tribal role and may not represent adequate funding for acquisitions or O&M. We do not disagree with the recent acquisition of the Trappist or Wildish properties, she acknowledged. The tribes think the MOA falls short of meeting the mitigation objective, Kennedy stated.

Joan Dukes said she was happy “we have a signed agreement” on the Willamette and thought at one time, it would never happen. We need to put this MOA into our F&W program, she said, adding that she looks forward to seeing projects proposed that will restore resources in the Willamette.

Wallace said the first projects under the agreement are good ones. He challenged the agencies “to make good” on their stated intent to involve the tribes.

Eden said the MOA is “a good deal for ratepayers. I’d invite the Grand Ronde and others to come up with a proposal on a package of projects”, she added.

## **5. Council decision on project reviews:**

Mark Fritsch

### **– Project #2008-800-00, Montana Resident Fish Habitat Acquisition**

Staffer Mark Fritsch described a state of Montana Columbia Basin Accord project to acquire resident fish habitat in the Swan River Valley, a tributary to the Flathead River. The project was submitted to the Independent Scientific Review Panel and the ISRP found the project meets scientific criteria (qualified), he reported. The ISRP had concerns about the project, which focuses on bull trout, including that status of westslope cutthroat and non-native rainbow trout in the area, but did not feel the lack of information compromised the integrity of the project, Fritsch explained.

The project budget is \$15.5 million capital project, with \$50,000 in expense funds, and it is part of an effort to purchase 311,000 acres of timberland in western Montana to protect F&W habitat. Booth said the F&W Committee had a thorough discussion of the project, and “it looks positive.”

Wallace moved that the Council recommend to Bonneville the implementation of Project #22008-800-00, Montana Resident Fish Habitat Acquisition, as presented by the staff and recommended to the Fish and Wildlife Committee. Eden seconded the motion, which passed unanimously.

### **– Quarterly Review of Within-year Project Funding Adjustment for Implementation**

Fritsch reported that the Budget Oversight Group (BOG) reviewed five quarterly project budget requests. With regard to a biological opinion-related project to restore a 12-mile reach in the Upper Salmon River, he said the ISRP raised questions and the F&W Committee discussed the project thoroughly. Karier said he had heard conflicting numbers about the budget for the project, which could total \$1.8 million. The request for 2011 is \$384,236, so how much more money is needed? he asked.

The Corps of Engineers cost-share did not materialize, but there are still commitments that need to be addressed in the river reach, Fritsch responded. Karier said the project seems so different from the original that it may need more Council review.

Staffer Tony Grover said the BPA contracting officer said there will be about one-third less work. He said there will be another ISRP review and the project will come before the Council again.

Fritsch said the next three BOG-reviewed projects are recommended for a Council decision. A fourth project, Albeni Falls Wildlife Mitigation, is part of the wildlife categorical review, he indicated.

The first project up for a funding recommendation is a NOAA Fisheries request for \$95,446 for a Lower Granite Dam adult fish trap, Fritsch said. The money is to cover the cost of having a staff person on site at all times for the next operating season, he explained. This is a BiOp project and it received a favorable ISRP review, Fritsch said.

A second project is a Nez Perce tribe project for watershed restoration in Lolo Creek, he continued. This too is a BiOp project and the sponsor is seeking additional work items, including re-establishing the stream to its original channel, Fritsch explained.

A third project is a Burns-Paiute Tribe project to evaluate the life history of native salmon in the Malheur River subbasin, he went on. The tribe is seeking a scope change for the project, which has been going on for a long time, Fritsch said. The change is to allow for participation in bull trout recovery in the subbasin, which involves removal of brook trout from the Malheur, he said.

Wallace moved that the Council recommend to Bonneville the implementation and, where necessary, funding of the three within-year project requests arising out of the Quarterly Review as presented by the staff and recommended by the Fish and Wildlife Committee. Booth seconded the motion, which passed unanimously.

## **6. Update on the RM&E and Artificial Production Categorical Review:**

Lynn Palensky, program development; Mark Fritsch, manager, project implementation; and Erik Merrill, ISRP/ISAB Coordinator.

Staffer Lynn Palensky provided an update on the categorical review of research, monitoring, and evaluation (RM&E) and artificial production projects. The final review included 158 projects, 99 of which received a full review by the Independent Scientific Review Panel (ISRP), she said. Another 59 projects are up for a “contextual review,” Palensky said.

In its preliminary report on the 99 projects, the ISRP found 22 met scientific criteria and 25 met the criteria with some qualifications, she said. The ISRP also said three proposals did not meet the criteria, and the panel asked for responses from sponsors on 44 projects, Palensky reported.

The response period is open until November 15, and the ISRP will submit its final report on the projects to the Council on December 16, she stated. Palensky also said the ISRP identified programmatic issues it will include in its final report, and staff will add its own issues as well.

She noted that the Council’s F&W Committee discussed the review, and it appears not everything is likely to be resolved in the final report in December. We may need some work

sessions to come up with final recommendations for the Council, Palensky said. Final comment on the projects closes November 23, followed by the ISRP's final report. Recommendations on the program and projects will come to the Council in February or March, Palensky said.

Booth said he is expecting we will need a workshop in January or February to look at the issue of redundancy in the program.

Grover said the Council's F&W program lacks biological objectives. The next F&W program needs "firm clear objectives," Grover stated. As for now, we are working with the July letter that indicates the Council's interests, he said. The Council needs to lead the region "one more time" in setting criteria for F&W – NOAA does not have them, Grover said. The ISRP criteria are clear, BPA's criteria are clear, but the staff criteria aren't clear, he acknowledged. The Council should think about helping staff develop criteria, Grover added.

The letters to the ISRP and sponsors were quite explicit, Booth said. We have a desired outcome in mind, he added.

Karier noted that Council members may not all be "on the same page" about what they expect. It would be good to write the staff criteria down, he said, adding that staff can make recommendations about redundancies in the program.

I agree completely, Grover responded. We have three pieces of guidance, he said: the 2009 F&W program and the two letters. We are using those as guidance to review the projects and we are taking it very seriously, Grover stated.

Karier said he would like to see a report at the end from staff about whether the projects are consistent with the program, the letters and the monitoring, evaluation, research and reporting (MERR) criteria. Grover noted that MERR is not yet complete.

## **7. Update on Draft Monitoring, Evaluation, Research and Reporting (MERR) Plan:**

Nancy Leonard, fish, wildlife and ecosystem monitoring and evaluation manager.

Staffer Nancy Leonard gave an update on MERR development. She went over background about why MERR is being developed, stating that it is to aid tracking and reporting on F&W progress and to inform decision-making. We need to look at where we can improve efficiency with RM&E and assess how we are doing with RM&E in the region, Leonard said.

She said MERR is not officially in the F&W program and that it falls into "a gray area" as a guidance document. The desired outcome for MERR is to provide tools for program assessment and communications, Leonard said. She said it would help the Council form high-level indicators and facilitate adaptive management of the program. It would also inform program RM&E priorities and enhance reporting on cost-effectiveness and efficiency, Leonard stated. She went on to list how MERR would be used and who would use it.

Leonard presented the status of revisions to MERR and said the policy comments have been divided into three categories: short-term, mid-term, and long-term. The first is complete, the second is started, and the third has not started, she concluded.

Karier said he is concerned about MERR as a “gray document,” and that the sooner it can be something other than a gray document, the better, he added. Karier said a lot of the comments on MERR revolve around prioritization, and that is not clear yet. We need to provide examples of what will or will not be prioritized, he said.

Grover said the lack of biological standards in the program is a problem for assessment. We need them, and “it’s way overdue,” he stated, adding that 2014 is the deadline.

Maybe MERR should be set aside until we have biological objectives and then it will fall into place, Eden suggested.

Booth said NOAA recovery plans in each state would provide solid metrics throughout the region. That will help us, he said. Our plan goes beyond the biological opinion, Eden responded. “I have never bought into the idea of indicators that measure adult returns to Bonneville Dam,” she said.

Wallace said 70 percent of the plan is already in the Council’s program. It has been collaborative in its development, and the region has been very engaged, he said. Between now and when we do the next F&W program, we will have made lots of progress, Wallace said. I’m positive we have a path laid out to get to an adaptive management program, he said.

## **8. Council Business:**

### **– Approval of minutes**

Wallace moved that the Council approve for the signature of the Vice-Chair the minutes of the October 13-14, 2010, Council meeting held in Portland, Oregon. Eden seconded the motion, which passed unanimously.

The Council meeting adjourned at 9:44 a.m.

Approved December 14, 2010

/s/ Dick Wallace

Vice-Chair