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July 30, 2009

MEMORANDUM

TO: Council Members

FROM: Dick Wallace, Washington Member

SUBJECT: July meetings with the Columbia Basin Trust

In late July, I traveled with John Shurts and John Harrison to visit members of the board of directors and staff of the Columbia Basin Trust (CBT). I asked our staff to arrange the trip as a series of informal meetings so that I could learn more about the CBT and its work, including our collaboration on several projects related to gathering and disseminating public information. I also was able to share summary information on our Fish and Wildlife Program and topics from our current discussions of the Sixth Power Plan. Bruce Measure planned to go with us but had to cancel.

It was a very productive trip. I met with four members of the CBT board: Mike Berg of Nelson; Ron Miles of Cranbrook; Evelyn Cutts of Fernie; and Greg Deck of Radium Hot Springs. I also met with Neil Muth, President and CEO of the CBT, Wally Penner, Vice President, Community Partnerships, and Kindy Gosal, Director, Water and the Environment. In Castlegar, we toured the CBT headquarters and were introduced to a number of CBT staffers.

Currently, the Council and CBT are collaborating on three projects: 1) preliminary work on a transboundary science/policy conference with a water-policy focus, probably in the spring of 2010; 2) a plan to provide information about the Columbia River Treaty when Bonneville, the Corps of Engineers, and BC Hydro conduct a series of public meetings about their preliminary engineering studies regarding future dam operations, probably this fall; and 3) the International Columbia River Center of Information, which is now operating (<u>www.tinyurl.com/icrcoi</u>). We discussed these projects with the CBT board members and staff. The Council and CBT staffs are drafting a prospectus for the conference, and Bruce Measure and I will share it with you when it is ready. Our staffs also are discussing how we might engage citizens on both sides of the border when the federal agencies convene public meetings around the engineering studies and the future of the treaty. In preparation, we are adding a Columbia River Treaty page to the Center of Information website.

Here are my thoughts on some of the other things we discussed and saw on the trip:

Hydropower:

We toured the new, 120-megawatt generating plant at Brilliant Dam, which was built by the Columbia Power Corporation (CPC), the 50/50 power-generation joint partner of the CBT. The plant began operating in 2007 (the CBT/CPC also owns the adjacent Brilliant Dam, which

has a capacity of 149 megawatts, and receives a portion of the income from hydropower sales from that facility). The new powerhouse not only provides additional income to the CBT, its operation helps reduce dissolved gas concentrations in the Columbia River downstream because water that previously was spilled now is directed through the new turbine.

Most important, however, is the impending CBT/CPC decision about whether to proceed to build a second powerhouse at Waneta Dam at the mouth of the Pend Oreille River. The existing dam is owned by Teck (formerly Teck Cominco), and the CBT/CPC own the rights to build a new power plant that, like the Brilliant Expansion, would take advantage of a lot of water that currently is spilled. The capacity would be 335 megawatts, and it would cost about \$1 billion. It's a big decision -- the board members said it is the biggest ever for the CBT in terms of cost. Both the CBT board and the Columbia Power board need to approve. There is no timeframe at the moment for a decision, as the CBT, CPC, and BC Hydro, which would buy the power, are continuing to negotiate. We drove by Waneta Dam on the way up and also visited Keenleyside dam en route.

Libby Dam operations:

We traveled to Lake Koocanusa and met there with CBT Board Member Evelyn Cutts and her husband, Bob, who own a marina and campground on the lake. They introduced us to Brant Cullum, who owns a houseboat-rental franchise. They all are concerned about the impacts of Libby operations on lake levels, but they also understand that Lake Koocanusa is a reservoir and operating a business on the reservoir means accepting lake-level fluctuations. They said they look forward to the changed summer operations (longer, steadier drawdown period) that originated in the Council's mainstem plan in the Fish and Wildlife Program and now are incorporated in the Biological Opinion. However, they said the Corps of Engineers could do a better job of communicating the rationale or purpose for lake-level changes, just as a courtesy, as opposed to the current practice of simply announcing changes pretty much as they happen without explanation. They also did not expect or understand the extent of a draft in May given the state of the regional snow pack. I said I thought the Council might be able to help encourage the Corps to do a better job of communication.

Meanwhile, Jim Ruff checked the Technical Management Team's website and found a May 15 memo that discusses a request by the U.S. Fish and Wildlife Service to release water for the benefit of sturgeon and bull trout spawning in the lower Kootenai River. According to the TMT memo:

A continued effort is needed to provide spawning and incubation flows to meet habitat attributes for depth, velocity and temperature in the Kootenai River as defined in the 2008 BO Clarified Reasonable and Prudent Alternative (RPA) for Kootenai River white sturgeon. ... The operations described in this document are intended to provide the best opportunity to achieve the attributes given the water supply conditions predicted in 2009. We recognize that no firm start date is given in this request. This is due to the desire of sturgeon managers and dam operators to allow for in-season management of dam operations in response to evolving conditions.

While the memo explains the "mystery drawdown," it seems clear that the affected parties on the lake were not aware of the rationale. We passed this information on to Kindy to share. This suggests the Corps could do a better job of communicating its intentions and purposes when it draws down the reservoir.

Water storage:

While it was not something we planned to talk about, the issue of water storage and the Non-Treaty Storage Agreement (NTSA) came up in our conversation at Lake Koocanusa. The NTSA expired in 2006. Since then Bonneville, the Corps, and BC Hydro have expressed interest in negotiating a new agreement outside the Treaty. Despite the expiration of the old agreement, both countries are obligated to refill the non-Treaty storage "account" (2.5 million acre feet for Canada and the same amount for the United States) by 2011, and it is reasonable to assume that a new agreement or a less-formal arrangement will be completed before then.

This could be an important development for the United States given the broad interests in water ranging from flows for fish to out-of-stream and other uses. A future agreement regarding water storage and release is important to both the CBT and to the Council, and we agreed that we ought to think about how we might be involved in or influence its development.

Fish and wildlife habitat on the lower Kooteani/y River:

We toured the Creston Valley Wildlife Management Area, which is in the area where the Kootenay River flows into Kootenay Lake. The CBT is helping to finance some improvements, including reconstruction of one of the several water-control structures that allow water to move among several wetlands and ponds. We learned that the Nature Conservancy of Canada recently purchased a large tract of adjacent land, and that similar large tracts have been purchased as wildlife habitat on the American side of the border. These tracts, combined with the habitat improvements undertaken by the Kootenai Tribe of Idaho through our program, pose the potential for a transboundary wildlife habitat management corridor along the lower Kootenai/y River. This may be something the Council could look into.

Sturgeon hatchery

We visited the Kootenay Trout Hatchery on a tributary of the Kootenay River near Cranbrook, where the aquaculture also includes two populations of sturgeon. One population is being raised for release into the Columbia River in British Columbia near the mouth of the Pend Oreille River, and the other will be released into the Kootenai River in Idaho as part of the Kootenai Tribe of Idaho's sturgeon recovery program. The hatchery is operated by the Freshwater Fisheries Society of British Columbia with funding from the province. Funding for the Kootenai sturgeon aquaculture is provided by the Kootenai Tribe through its white sturgeon recovery program, which is funded by Bonneville through our fish and wildlife program. Here is one example of our program extending its reach across the international border. The Columbia sturgeon program is funded by the Columbia Basin Fish and Wildlife Compensation Program of BC Hydro (this is separate from the Spokane Tribe's research and planning for a separate sturgeon hatchery in Lake Roosevelt, which is funded through our program).

Unfortunately, we missed this year's spawning, which was completed just days before our visit. But the hatchery manager, Doug Crawley, gave us a tour of the separate Columbia and Kootenai incubation facilities. We saw the fly-sized progeny of the recent spawning and learned about the coordination between the Fort Steele hatchery and the Kootenai Tribe's facility at Bonner's Ferry.

Headwaters of the Columbia

We took advantage of being at the headwaters of the Columbia to view Columbia Lake, where a sign pronounces that the river begins here and flows to the Pacific Ocean at Astoria -- an interesting thing to see 1,215 river miles from the estuary. We saw the remote, marshy, spring-fed southern end of the lake, where the river literally begins near the little town of Canal Flats,

and the resort developments just beyond the northern end of the nine-mile-long lake where the nascent river slices through a golf course -- literally a water hazard.

Thinking back, we covered a lot of spectacular country. We met the Columbia at the head of Lake Roosevelt and followed it past the confluence with the Kootenay to Lower Arrow Lake. We crossed Kootenay Lake on the ferry with views of the Selkirks then on to the extensive wetlands at the head of the lake. We followed the Moyie River, crossed the St. Mary River and came to the impressive valley formed by the Purcell Mountains and the long, imposing wall of the Rockies. Then we went south to Lake Koocanusa before going back north to Columbia and Windermere lakes. I put a foot in the water of the Columbia in a spot where even I could easily cast a fly across. I was impressed by the many uses of the river and the size of the country but even more by the people we met, the challenges they face, and the work they do. As we traveled first by car then plane from Columbia Lake nearly to the Pacific Ocean in a day, I couldn't help but wonder what David Thompson would think of such a feat or of how much the river has changed.