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April 30, 2003

### MEMORANDUM

**TO:** Council Members

**FROM:** Mark Fritsch

**SUBJECT:** Recommendation for a revised scope of work for Methow Valley Irrigation District Rehabilitation Project - #1996-034-01

#### Action

The Methow Valley Irrigation District (MVID) has requested a change in scope from an enclosed pipe system to an upgraded replacement fish screens that will address passage and screening problems at the MVID East Side Canal Site on the Methow River and at the MVID West Side Canal Site on the Twisp River. A balance of about \$2.8 million in capital funding remains available in Bonneville's contract with the Washington Department of Ecology for this project (Project #1996-034-01). At this time the sponsor is requesting that this scope change be addressed at your meeting in Walla Walla.

#### Recommendation

The staff recommends that the change in scope be approved for the construction of diversion screens not to exceed \$995,706 and subject to the review of the Council at completion of final design. The staff also recommends that the balance of the existing capital commitment remain available for the resolution of the water quantity improvement elements of the original project scope.

#### Background

The Methow Valley Irrigation District (MVID) was organized in the early 1900s to supply water for agricultural production. MVID is comprised of two main canals. The West Canal diverts water from the Twisp River, and the East Canal diverts water from the Methow River. The District is currently required to provide 12 cfs to the Barkley ditch on the east diversion on the Methow River.

Funding from Bonneville was approved by the Council in 1996 as a part of a regional package of passage improvement and water quantity restoration projects. Bonneville committed a balance of \$2.8 million to the Washington Department of Ecology to an initial project scope of a pressurized irrigation delivery system (design and construct - \$1.3 million), compensating landowners (\$1.5 million) who would be excluded from the irrigation district so that they could install wells and complying with NMFS passage requirements.

The development of the project is outlined in the following.

- 1998 - Upon completion of the Environmental Assessment by Bonneville in 1998, the MVID had an advisory vote of the preferred alternative (A), which called for converting a smaller portion of the district's canals within an enclosed pipe system supplied by wells in continuity with the river. Under this scenario some members chose to be excluded from the district with the understanding that they would be compensated from Bonneville funds on an acreage-based formula for the cost of installing or upgrading existing well.

The MVID Board made two critical decisions. First they signed a Consent Decree with NMFS to resolve a complaint filed by NMFS in 1999 concerning alleged illegal takes. The Consent Decree specified both actions and options for reaching compliance. If particular milestones are not met, enforcement options articulated in the Consent Decree include MVID shutting the irrigation system until compliance is achieved.

Second, the MVID voted to not move forward with the pressurized pipe system because it did not believe the terms and conditions could be met. Reasons included O&M costs that MVID deemed too high, not accepting what Ecology planned to put forward as a tentative water right determination, concern for lost habitat and riparian zones among other issues.

- 2001 – BPA hired a facilitator to gather consensus with all concerned agencies and the MVID on issues ranging from remeshing of screens to resolving wasteful water practices, removing physical barriers to improve fish passage and to improve instream flows.
- 2002 - At the completion of facilitation and several consequent meetings with various involved parties a new project description was developed that would appease all involved parties. This new project included replacing screens and diversions on both the Twisp and Methow rivers, rehabilitation of critical portions of canals and at some agreed upon low summer flow switching from the Twisp diversion to a new pump station on the Methow. To assist in developing a recommended flow as part of the ESA consultation process BPA hired a consultant to review a 1992 IFIM study on the Twisp and make a flow recommendation.

In the interim Bonneville has come upon very critical funding shortages and does not see supporting critical funding that would have assisted the MVID in long-term Operation and Maintenance of a new pump station on the Twisp. In addition, NOAA fisheries and

MVID have been unable to agree on a trigger flow for switching to a pump station and the MVID feels that a low trigger flow will affect their future water rights on the Twisp River.

- 2003 - Given all of the above history and uncertainty of funding for this project Bonneville agreed to fund compensation for excluded members from FY 03 funds and recommended that the MVID develop a new proposal for out-year funding for a revised project scope to replace screens and diversions only.

To date approximately \$900,000 has been spent by Bonneville and WDOE funds for on-farm efficiencies (e.g. lateral pipe replacement), pre engineering studies, facilitation and environmental analysis. In Fiscal Year 2003 approximately \$1,000,000 have been committed to pay compensation to exclude members.

The 2000 Biological Opinions have placed the Methow as a crucial performance area for the Bureau of Reclamation relating to passage. The Bureau of Reclamation has assisted in developing preliminary cost estimates for upgrading screens and replacing diversions on both the Methow and Twisp Rivers. The Bureau of Reclamation is only able to fund design work and technical assistance on this new proposal. Therefore a proposal is being presented to the Power Council that would allow the MVID to meet the NOAA fisheries consent decree and for the Bureau to receive credit under their responsibilities under the Biological Opinions. In addition if this proposal is approved Bonneville would receive credit under these Biological Opinions for RPA's identified above.

The proposed project will address passage and screening problems at the MVID East Side Canal Site on the Methow River and at the MVID West Side Canal Site on the Twisp River. Upgraded replacement fish screens will be constructed at both locations to assure compliance with current NMFS and WDFW criteria. The existing diversion structures at both locations will also be upgraded to provide both improved fish passage and reduced needs for instream O&M work. Conceptual costs associated with these improvements on the east and west diversion canals, based on maximum screen capacity, will range from \$715,706 to \$995,706. This leaves a balance in the original capital commitment to the project.

### **Analysis**

Council staff recommends that the scope change be approve, but until there is an agreement provided by Bonneville, Methow Valley Irrigation District, Bureau of Reclamation and the Washington Department of Ecology regarding the final designs and costs associated with the screen replacements that no further decision regarding this project is warranted.

The staff also recommends that the balance of the existing capital commitment remaining is available for the resolution of the water quantity improvement elements of the original project scope.

**Attachment 1: Letter received on April 25, 2003 from Methow Valley Irrigation District requesting scope change for Project 1996-034-01.**

Methow Valley Irrigation District  
P.O. Box 860  
Twisp, WA 98856

April 25, 2003

Mr. Doug Marker  
The Northwest Power Planning Council  
851 S.W. Sixth Avenue  
Suite 1100  
Portland, Or. 98204-1348

Dear Mr. Marker,

At the request of the Northwest Power Planning Council, The Methow Valley Irrigation District participated in a facilitation process, which included the Bonneville Power Administration, the Washington State Department of Ecology, the Washington State Department of Fish and Wildlife, the National Marine Fisheries Service and the Yakama Nation. The purpose of the facilitation was to identify and define a rehabilitation plan for the district that preserved and protected the district's economic viability and historic water rights while at the same time addressing fish needs in the Methow Basin.

The facilitation process culminated an accord met at the end of May last year. A key component to the agreement was an anticipated pump exchange facility to assist fish passage in the Twisp River during critical low flows. As part of the implementation process, the Bonneville Power Administration was to have provided a long-term operation and maintenance agreement for the pump exchange component and the National Marine Fisheries Service was to have conducted a scientific analysis to propose a flow sufficient for fish passage, which would have "triggered" the pump exchange. Another key component was the replacement of district fish screens to meet National Marine Fisheries Service ESA requirements.

During the course of last year, funding uncertainties required that the Bonneville Power Administration take a step back from considering a long term Operation and Maintenance Contract.

However, all of the agencies seem to believe that the replacement of fish screens to meet ESA standards and the removal of instream barriers and replacement with more fish friendly wing dams would provide the greatest fish benefit at the least amount of cost.

To that end, the District would propose and sponsor a scaled down rehabilitation plan that would address a limited scope of screens and dams as defined on the attached addendum.

We very much appreciate all of the support and help thus far received from the Council and look forward to completing a rehabilitation plan that benefits all.

Sincerely,

Vaughn W. Jolley, Chairman of the Board  
Methow Valley Irrigation District