Northwest Power and Conservation Council

March 30, 2006

To: Council Members

From: Doug Marker

Subject: Proposed comments on the Corps of Engineers Draft Reconnaissance Study for a System Flood Control Review

Last month the Corps of Engineers presented a proposal for a review of Columbia River system flood control. Attached are comments on the study proposed by the staff for approval by the Council.

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Northwest Power and Conservation Council

D R A F T

Colonel Debra M. Lewis
District Engineer, Seattle District
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Dear Colonel Lewis:

The Northwest Power and Conservation Council appreciates the opportunity to review and comment on the Corps' *Draft Columbia River Fish Mitigation System Flood Control Review* reconnaissance study. We understand the significance of this report and its proposed investigations. A comprehensive review of flood control operations is a priority action in the Council's *Columbia River Basin Fish and Wildlife Program*. For that reason, we support in general the Corps' efforts the evaluate whether it is possible to modify Federal Columbia River Power System (FCRPS) storage reservoir flood control operations in a manner that increases the probability of achieving reservoir refill and provides benefits in the mainstem Snake and Columbia rivers for both listed and non-listed salmonid species from a more natural flow regime, without increasing the flood risk, adversely affecting the reliability or adequacy of the region's power supply, or affecting resident fish. At the same, the Council has concerns about the specific proposal by the Corps of Engineers, with suggestions below that the Corps take a different approach.

Regardless of whether the System Flood Control Review proceeds into the feasibility phase, the Council also concurs with the reconnaissance study recommendation to continue to improve the use and reliability of weather and runoff forecasts in the Columbia River Basin. The runoff forecasting process can and should be evaluated systematically to determine if improvements in runoff predictive capabilities could be achieved. Thus, the Council supports efforts by the federal water management agencies to work toward improving forecasts of basin runoff, as such efforts will help reduce forecast error. Reducing this error could also improve both fish and hydropower operations by lowering the chance of excessive, unnecessary flood control drafts during the late winter and early spring, thereby improving reservoir refill probabilities, as well as the region's ability to advance plan for future energy supplies/sales.

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However, while we understand the need to conduct a comprehensive review of the flood control operations and features in the basin, we are concerned by several aspects of the report, including: a) the broad scope of the study proposal; b) the potential costs and benefits of the study; and c) the prospect that the Bonneville Power Administration (BPA) will be required to repay a large portion of the study costs. Specifically, we recommend the following:

Reduce the scope and cost of the initial phase of the feasibility study

As noted above, the Council's Fish and Wildlife Program calls for evaluating flood control operations to provide more beneficial operations for all fish species, including key non-listed anadromous species and resident fish. Unfortunately, the lack of specific details regarding potential alternative flood control operating scenarios in the reconnaissance report makes it difficult to understand how this will be accomplished. First, we strongly support the need for all regional interests (federal, tribal and state parties, including the Council) to collaborate in developing a Project Management Plan that will identify clearly the next step(s) in this study. For example, regional interests should be convened in a collaborative workshop to identify some clearly defined alternative flood control modeling scenarios, with a focus on changes in average and below average runoff years. Then the region could conduct an initial evaluation of the potential impacts and benefits for migrating salmon and resident fish, storage reservoir effects, and power system and other impacts and recommend whether to proceed with additional study. We believe that such a course of action would narrow and refine the alternatives and parameters of future flood control investigations and lower the costs of the initial phase of the study, which are currently estimated to be over $3 million.

Furthermore, along with an initial analysis of potential changes in flood control operating scenarios and resulting changes in mainstem flows and storage reservoir elevations, the Council would expect to see a scientific evaluation by the ISAB of the basic premise that biological benefits might result from modifying the flow regime in this way. The underlying premise or hypothesis in the Council's Mainstem Amendments (and in the NMFS' Biological Opinions) is that it will be of biological benefit to alter the flood control regime to be able to "[m]anage water through the hydrosystem so that patterns of flow more closely approximate the natural hydrographic patterns and are directed at re-establishing natural river processes where feasible" (*Mainstem Amendments, Biological Objectives, at 12, 21*) as well as to achieve a higher probability of reservoir refill. At the same time, the Council called in its Mainstem Amendments for the federal government to a conduct a comprehensive evaluation of the relationship between diferent flow regimes and biological benefits and report to the Council and the region. *Mainstem Amendments, at 21*. This has not occurred. The flood control study should not go forward without an independent scientific assessment, in its initial phase, of the potential biological benefits that might result from the change.

If the decision is to move to the next phase, the Council would also expect to see a detailed proposal for additional study submitted to the Independent Scientific Review Panel. The ISRP could advise the region on the study assumptions and current science underlying the expected effects on salmon and steelhead, as well as on resident fish and wildlife, affected by changes in storage reservoir flood control operations.

Review of system flood control is a Federal responsibility and should not be repaid by the Bonneville Power Administration

The reconnaissance report includes ample justification for updating assessments of system flood control capacity and risk. The report points out that much of the data underlying reservoir rule curves, levee adequacy, and floodplain development is up to 40 years old. In a later phase of the study, the Council urges the Corps to address the current adequacy of the flood control system by updating flood risk assessments and system flood control measures. Specifically, the Corps should first confirm that the zero flood damage flow level is 450,000 cubic feet per second (cfs) at The Dalles, Oregon.

While the Council agrees with the Corps that the flood control studies should be undertaken , the reconnaissance report includes conflicting statements regarding how the costs of the feasibility study should be borne. On the one hand, the reconnaissance report says that flood control and ESA compliance are both Federal responsibilities and the Corps, therefore, will not seek local sponsors to share in the cost of the feasibility study. On the other hand, the report indicates that the Corps will request Federal appropriations for the feasibility study through the *Columbia River Fish Mitigation Project*. Considering that approximately 80 percent of the CRFM appropriations will be reimbursed by the Bonneville Power Administration, it appears that the Corps really is asking the region to share as much as 80 percent of the feasibility study cost. This percentage would be considerably more than a normal Corps feasibility study local cost share, which is 50 percent.

Historically the Corps has recognized that Bonneville funds constitute a local contribution for cost-shared projects in the region. There are Corps projects underway currently that use Bonneville funds as the local cost share. Accordingly, the proposal to request appropriations through CRFM indicates to us that the Corps is seeking a local cost share partner (i.e., the electricity ratepayers of BPA's customer utilities) for a task that should be the sole responsibility of the federal government. If this is indeed the Corps' intention, it appears to us that it signals a major change in federal policy that deserves the scrutiny and participation of Congress.

Requesting funding through CRFM also raises a number of other important and potentially confusing issues. First, the existing purpose of CRFM is to improve juvenile and adult fish passage and survival at and between the Corps' mainstem hydropower dams. Adding flood control and other study components not related to mainstem Snake and Columbia river fish passage to CRFM almost certainly will be harmful to the important fish passage work performed under the CRFM project. In the current budgetary atmosphere, where there are limited funds for domestic discretionary spending, every dollar spent on the flood control study would surely mean a corresponding dollar not spent on mainstem fish passage research and fish facility construction projects.

In its Fiscal Year 2007 budget submission to Congress, the Corps proposes to move CRFM from the *Construction, General* appropriations account to *Operations and Maintenance*. The Corps is proposing to do this by abolishing a specific CRFM line item and spreading the cost of CRFM throughout the existing, individual O&M line items for each of the federal dams. This, of course, raises a number of important questions. First, how does the Corps intend to spread the cost of the flood control feasibility study across all the federal projects? Will the appropriations be requested through the O&M accounts associated with the Corps' two storage projects, Libby and Dworshak, or through all the Corps' Columbia Basin hydropower projects? How would this O&M appropriations process be applied to the Bureau of Reclamation's Hungry Horse and

Grand Coulee projects, which are major flood control storage projects, or to non-Federal storage projects such as Brownlee Reservoir? Will the costs of the feasibility study be added to the mitigation analysis costs that currently are accumulating within CRFM, or will a new category be established to "cover" these flood control study costs? Will a new allocation formula be devised to spread the costs throughout the O&M accounts and another formula devised to dictate how much of the appropriations for flood control will be repaid by BPA? When would BPA be required to begin repaying the flood control appropriations -- at the conclusion of the feasibility study or at some other time? Or is it the Corps' intention that the funds be appropriated under the CRFM umbrella but not require BPA to reimburse the Treasury? All of these questions, and others not included in this letter, will need to be addressed. However, if the Corps funds the feasibility study through CRFM under the O&M appropriation, one thing is certain: it will be extremely difficult for the Council and other non-federal entities to track the dollars to help support the study.

While the Council opposes assigning any of the costs to Bonneville, we are pleased that the Corps recognizes the need for a comprehensive flood control study. We stand ready to assist you in any way to ensure you are able to move forward quickly and aggressively to collaboratively develop and conduct an initial analysis of flood control alternatives. That is, we support the concept of a phased study approach, with off-ramps, to allow these issues to be addressed over the course of this study.

Sincerely,

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c:\z-js\corps flood control comment letter3-30-061 js.doc (John Shurts)