

Tom Karier
Chair
Washington

Frank L. Cassidy Jr.
"Larry"
Washington

Jim Kempton
Idaho

W. Bill Booth
Idaho



Joan M. Dukes
Vice-Chair
Oregon

Melinda S. Eden
Oregon

Bruce A. Measure
Montana

Rhonda Whiting
Montana

Council Meeting Vancouver, Washington

January 16-17, 2007

Minutes

Reports from Fish and Wildlife, Power and Public Affairs committee chair:

Rhonda Whiting chair, fish and wildlife committee; Jim Kempton, chair, power committee; and Larry Cassidy, chair, public affairs committee.

Rhonda Whiting, Fish and Wildlife Committee chair, said the committee heard a report on the National Fish Habitat Action Plan, discussed amending the fish and wildlife program and the possibility of holding a science forum in advance of the amendment, in summer or fall 2007, to identify needs and gaps in the program, she said. The committee was also briefed on the 2007 fish and wildlife division work plan and on first-quarter within-year funding requests.

Jim Kempton, Power Committee chair, noted that some of the topics discussed in committee would come up later in the full Council meeting, including the Biennial Power Plan Monitoring Report.

The committee also discussed the work plan for a CO₂ study that will look at emissions associated with various forms of generation, and received a briefing on the Olivia model.

Larry Cassidy, chair of the Public Affairs Committee, gave a wrap-up on the 2006 celebrations of the 25th anniversary of the Northwest Power Act. More than 100 people attended the reception in December in Portland, Cassidy said. He offered an excerpt from a message sent by former Washington Council member Kai Lee, who lauded the Power Act's pioneering role with regard to energy conservation.

1. Council decision to solicit innovative proposals:

Doug Marker, director, fish and wildlife division; and Patty O'Toole, program implementation manager

Staffer Patty O'Toole reminded the Council that \$3 million of the 2007-2009 fish and wildlife budget had been reserved for a solicitation of innovative projects. The ISRP recommended we resurrect this category of projects, which we have funded in the past, most recently in 2002, she said. O'Toole noted that 37 proposals were submitted at that time, eight were recommended by the Council for funding, and Bonneville implemented two.

She laid out a schedule that calls for a project solicitation to begin in about a month, with the Council's recommendations to be made in August. It's "a very doable" timeframe, O'Toole added.

There are a couple of uncertainties we want to resolve, she continued. We do not have a Bonneville decision letter on the innovative solicitation yet, and we don't know what Bonneville's commitment will be, O'Toole said. We want to get a commitment from Bonneville before the solicitation.

Cassidy made a motion that the Council issue a solicitation for innovative project proposals under the Fish and Wildlife Program with a total budget not to exceed \$3,000,000 as presented by the staff and recommended by the Fish and Wildlife Committee. Whiting seconded the motion, which passed unanimously.

2. Council decision to approve Biennial Power Plan Monitoring Report:

Terry Morlan, director, power division.

Staffer Terry Morlan briefed the Council on the Biennial Power Plan Monitoring Report, noting that staff evaluated whether the Fifth Power Plan is on target with its forecasts and whether the action items are being implemented.

We found the following in our biennial assessment, he reported:

- the region is close to meeting the aggressive conservation targets set out in the plan;
- wind resource development is exceeding the level in the plan;
- regional resource adequacy standards are in place;
- "the plane has not landed," but is close with regard to defining Bonneville's role in acquiring resources – the agency is set to release a Record of Decision (ROD) on the Regional Dialogue this month;
- work on transmission planning continues in many forums;
- forecasts in the plan are tracking fairly well, with actual demand hovering right below the medium case, and fuel prices, such as natural gas, at the medium case;
- coal technologies are developing differently than envisioned, and a new fuel, petroleum coke, has entered the picture.

We aren't recommending changes to the plan at this time, but staff will continue to monitor the key assumptions and any need for change, Morlan said.

Dukes made a motion that the Council approve the Biennial Monitoring Report on the Fifth Power Plan as presented by the staff and recommended by the Power Committee and direct staff to give appropriate notice of this action, with changes adopted by the Members at today's meeting. Eden seconded the motion, which passed unanimously.

3. Briefing on draft Power Division Work Plan for 2007:

Terry Morlan.

Morlan reported that he had organized the Power Division's 2007 work plan into three major categories: power plan implementation, monitoring and analysis, and planning-tool development. The issues we will be working on this year are not new, but remain significant for implementing the power plan, he said.

The list of issues Morlan offered include the following: completing the wind integration/confirmation study, which he said will be very important as states work on resource portfolio standards; implementing resource adequacy standards and collecting data to provide analyses; following the Regional Dialogue and the ROD that Bonneville will soon release; continuing to track conservation implementation; analyzing the effects of a new BiOp on the power system; pursuing the potential for demand response, which he acknowledged is moving slowly; and participating in transmission forums.

4. Briefing on draft Fish and Wildlife Division Work Plan for 2007:

Doug Marker.

Staffer Doug Marker reported that the fish and wildlife division work plan sets a three-year course, which includes amending the Council's fish and wildlife program. Our thinking is that we would open the program amendment process in late fall or early winter of this year, Marker added.

He moved on to fish and wildlife project selection, saying that staff will shape alternatives for the process and bring them to the Council. We are also working on monitoring and evaluation (M&E), Marker said, and several other activities, including work related to the BiOp and recovery plans, hatchery evaluations, mainstem amendments, fish and wildlife program implementation and budgets, partnerships with other funding sources, and ongoing support for the independent science groups.

5. Briefing on data management work plan:

Peter Paquet, manager, wildlife and resident fish.

Staffer Peter Paquet briefed the Council on the data management work plan, beginning with a description of the *Status of the Resource* report that the Columbia Basin Fish and Wildlife Authority (CBFWA) turned out in 2006, and plans for adding more information to that database. He detailed several efforts that are under way to glean and standardize data sets from various sources and make them more useful and widely available, as well as to identify gaps in data collection.

My understanding was that we weren't just looking for gaps but for duplication, so we can reduce program costs, Cassidy said. You have talked about doing more data collection, but there is a possibility we need to do less, he added.

We will be looking for redundancy, Paquet replied. The issue here is quality control.

6. Presentation by wildlife managers on wildlife project operation and maintenance costs:

Regional wildlife managers.

A panel of fish and wildlife managers reported on a review, undertaken in consultation with the Independent Economic Advisory Board (IEAB) and the Independent Scientific Advisory Board (ISAB), of operations and maintenance (O&M) costs. We looked at the disparity in these costs among wildlife projects, and "we took a tough look" at O&M budgets and what should and should not be included in them, according to Carl Scheeler of the Umatilla Tribes.

He described the managers' review process and explained that once a fish and wildlife mitigation measure is in place, there are O&M costs that go on throughout the life of the project. It is the responsibility of the FCRPS to fund the O&M, Scheeler stated.

Many factors affect O&M costs, from site characteristics to project sponsors, and the question to be answered is whether the variations we see in O&M costs are warranted by these variables, he explained. One of the largest factors is the funding constraints that are present when a project is authorized, Scheeler said. For example, sponsors may make compromises to get a project under way when funds are short, but later on, the lack of money initially can affect O&M costs, he explained.

Kempton questioned whether that meant sponsors would get into a project without acknowledging upfront what O&M costs might be. Scheeler said it did not. He pointed out that sponsors don't always know the O&M costs that will be required later on for a project, such as a land purchase. A management plan for the property may come forward years later, Scheeler said.

Staffing is a big factor in O&M costs, and organizations vary a great deal in this regard, he went on. It is very difficult to compare organizations and try to standardize costs, Scheeler pointed out. He explained how site characteristics such as access, location, and property configuration can affect the costs of an improvement like fencing. It is difficult to standardize these costs, Scheeler reiterated.

Ray Entz of the Kalispel Tribe pointed out that wildlife mitigation will not have succeeded if the only projects undertaken are those to protect the best remaining habitat. With that approach, we don't add anything back to what has been lost, he said. We have to work with degraded habitats because pristine habitats are hard to find, Entz indicated.

Trust funds for O&M can offer a big advantage, Angela Sondenaar of the Nez Perce Tribe added. The funds become self-sufficient and reduce the administrative burden on sponsors to continually replenish O&M funds, she indicated. They also give managers the flexibility to respond to changing on-the-ground conditions, such as wildfire damage, Sondenaar said.

Cassidy asked why the per-foot cost of an item like fencing is higher in fish and wildlife project budgets than would be found with a private landowner. We are obligated to follow federal purchasing guidelines, and we have competitive bid processes, Scheeler responded.

7. Council decision on a letter regarding proposed coal mine in the North Fork of the Flathead River basin:

Montana Council Members.

Bruce Measure explained the context for a proposed letter to the government of British Columbia regarding a license application for a coal mine near the headwaters of the North Fork Flathead River. The approach to licensing in Canada is for the applicant to make its own environmental review, and the state of Montana and others have asked the British Columbia ministry that oversees mines to detail the studies that need to be done for this project, he said. We want them to do more analysis on effects the mine could have on the fish and wildlife that we have invested so much in protecting, Measure stated.

In this letter, we are asking the British Columbia government to look at the Council's subbasin plans and to take into account information from the Montana Department of Fish, Wildlife and Parks and various tribes before making a decision, Measure said. The Council is in a unique position to help in this effort, he added.

Eden asked whether the Columbia Basin Trust has been involved, and Measure said he was unaware of it if they had been. He allowed that the situation was "politically explosive" for Canada's legislators in the area. We are not asking the Council to take a position, but to support the case for a thorough analysis of

effects, Measure clarified. We are promoting a proper environmental review to assure that we avoid something that is detrimental, he said.

On a motion from Measure and a second by Rhonda Whiting, the Council voted unanimously to send the letter to the British Columbia government.

8. Presentation on Columbia River Toxics Reduction: An EPA Priority:

Mike Gearheard, EPA Region 10 Director, Office of Water and Watersheds.

Mike Gearheard, Director of the Environmental Protection Agency (EPA) Region 10 watershed office, briefed the Council on an initiative to reduce toxic contaminants in the Columbia River. He began with a map that labeled areas of particular concern with regard to toxics, beginning with Lake Roosevelt, which has been contaminated with metal residues from a smelter in British Columbia, to the lower river, where tests have shown crayfish to contain “disturbing levels” of PCBs.

Gearheard outlined a number of ways in which EPA has been addressing water quality problems in the Columbia River, including a project undertaken with CRITFC to reduce contaminants in fish that are an important part of tribal diets.

EPA has programs in place to reduce the levels of PCBs and DDT in the Columbia River, and we are working with states to reduce pesticides and locate sources of ongoing contamination, Gearheard said. EPA is looking for partners in its efforts to improve water quality on the Columbia River, he concluded.

9. Briefing on agreement regarding 2007 FCRPS fish operations:

Greg Delwiche, Bonneville Power Administration.

Greg Delwiche of Bonneville told the Council that his agency’s agreement with the tribes could represent “a turning point” in “what has been at times contentious litigation” in federal court over the Biological Opinion (BiOp) for the Federal Columbia River Power System (FCRPS). We hope this agreement is the start of a more collaborative approach, he said.

He pointed out that uncertainty for both the tribes and river operators set up an opportunity for a win-win negotiation. As a result, Bonneville signed agreements with five Columbia River tribes and the Columbia River Inter-Tribal Fish Commission (CRITFC) that address 2007 river operations, Delwiche explained. Bonneville entered agreements with the Umatilla, Warm Springs, Yakama, Nez Perce, and Colville tribes, according to documents provided at the meeting. Bonneville has committed to fund additional fish and wildlife projects beyond those recommended by the Council, some that are related directly to the Endangered Species Act, and others that are not, he said. Of the 23 projects, 19 are ongoing efforts and four are new, Delwiche explained. Three involve harvest enforcement, he said.

The dollars for these projects will be added to the \$143 million already committed annually to fish and wildlife spending for the 2007-2009 period, Delwiche said.

10. Update on 2007 runoff forecast and power supply outlook:

John Fazio; senior power systems analyst; and Jim Ruff, manager, mainstem passage and river operations.

Staffers Jim Ruff and John Fazio briefed the Council on the 2007 snowpack and runoff forecast in the Columbia River Basin, and on an analysis of what the figures mean for the region's power supply. The information on runoff comes from the Northwest River Forecast Center's final forecast released January 8, according to a staff memo.

11. Update on status of fish and wildlife population data:

Steve Waste, manager, program analysis and evaluation; and Peter Paquet.

Staffer Steve Waste gave an update on efforts to identify data gaps in the Council's program, with specifics about where and why the region is lacking abundance numbers for anadromous fish and other focal species.

12. Council Business

– **Approval of minutes**

Dukes made a motion that the Council approve for the signature of the Vice-Chair the minutes for the December 12-13, 2006 Council meeting held in Portland, Oregon. Cassidy seconded the motion, and it passed unanimously.

– **IEAB wildlife O&M cost analysis**

Dukes made a motion that the Council approve Task Order 116 for the Independent Economic Advisory Board to do additional analysis of wildlife operations and maintenance, research and monitoring, and other ongoing costs as presented by the staff and recommended by the Fish and Wildlife Committee. Cassidy seconded the motion.

The motion passed unanimously.

– **Approval of 2006 Annual Report to Congress**

Staffer John Harrison explained that the Northwest Power Act requires the Council to submit an annual report to Congress. The current version includes a letter from the Bonneville Administrator, along with the agency's suggested edits and our treatment of them, he explained. We are asking your permission to clean up the report and send it to Congress, Harrison said.

Dukes made a motion that the Council approve the 2006 Annual Report to Congress and direct the staff to submit the report to Congress. Cassidy seconded the motion, and it passed unanimously.

– **Election of officers**

Cassidy nominated Dukes to be the Council's vice-chair for 2007, a post she held throughout 2006. Eden seconded the motion, and the Council voted unanimously in favor of Dukes. Kempton put forward the nomination of Karier, noting that the current chair warrants a second term for his work on issues important to the Council and for his leadership. Cassidy seconded the nomination. Karier was re-elected on a vote of six to two. Eden and Dukes voted no.

Approved February _____, 2007

Vice-chair

x:\jh\ww\minutes\jan07.doc