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July 28, 2011

TO: COUNCIL MEMBERS

FROM: JEFF ALLEN IDAHO STAFF

RE: OVERVIEW: Lower Clearwater Exchange Project (Idaho)

At the Spokane meeting, representatives of the Clark Valley Chamber of Commerce, the Nez Perce Tribe and the Lewiston Orchard Irrigation District will present an overview of the Lower Clearwater Exchange Project in Idaho.

enclosure

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OVERVIEW: LOWER CLEARWATER EXCHANGE PROJECT (IDAHO)

The Lower Clearwater Exchange Project (LCEP) is a collaborative, consensus-based effort of the Lewiston Orchards Irrigation District (LOID), the Nez Perce Tribe, the City of Lewiston, Nez Perce County, and the Lewis Clark Valley Chamber of Commerce.

The LCEP aims to permanently resolve three recurrent problems in the lower Clearwater River basin: (1) adverse effects on ESA-listed Snake River steelhead and designated critical habitat from the existing Bureau of Reclamation Lewiston Orchards Project (LOP), located in the lower Lapwai/Sweetwater Creek watershed; (2) inadequate water quantity, quality, and reliability provided from the LOP to LOID patrons; and (3) adverse effects on the Nez Perce Tribe and its people, including impacts to Reservation natural resources, and to cultural/religious water uses, resulting from the predominant location of the LOP on the Nez Perce Reservation.

The LCEP concept is the development of a high-efficiency piping system from the mainstem lower Clearwater River to the existing terminal LOP reservoir at Mann Lake, which would simultaneously resolve all three problems described above by terminating unreliable, inefficient water diversions from tributary streams. Existing water rights in the lower Lapwai/Sweetwater watershed would be protected via Idaho state water banking and beneficial use under unsatisfied State-held minimum stream flows in the lower Lapwai Creek watershed, and in the mainstem Clearwater River. The new project water right from the main Clearwater would be smaller in quantity than the upstream rights protected: resulting in no net, or a positive effect, on mainstem Clearwater flows. The existing diversions, canals, and the Sweetwater Creek dam above Mann Lake would then be unnecessary: resulting in direct increased flows for steelhead and multiple fish species, and providing fish passage above the dam to historic, high-quality steelhead habitat fed by the largest year-round cool-water spring in the lower Clearwater subbasin: Sweetwater Springs. Forty-three miles of stream habitat presently impaired or blocked by the existing system would be restored. Total watershed acreage presently drained by LOP-affected streams is 61,325 acres.

At this time the LCEP is proceeding through an appraisal study of alternatives under Bureau of Reclamation's Rural Water Program. The LCEP is engaging with a broad range of entities for public support and potential funding. The LCEP has received initial funding to date from Reclamation and NOAA Fisheries; and has received public support from the Columbia River Inter-Tribal Fish Commission, the University of Idaho's Waters of the West Program, Trout Unlimited, and Clearwater Power Company. The LCEP effort has received public support as well from Idaho Governor Butch Otter, the entire Idaho federal delegation, and all three Idaho state legislators in the project area.

LOWER CLEARWATER EXCHANGE PROJECT

Presentation to the Northwest Power and Conservation Council

August 9, 2011

A collaborative, consensus-based effort...











... with the support and involvement of many partners ...

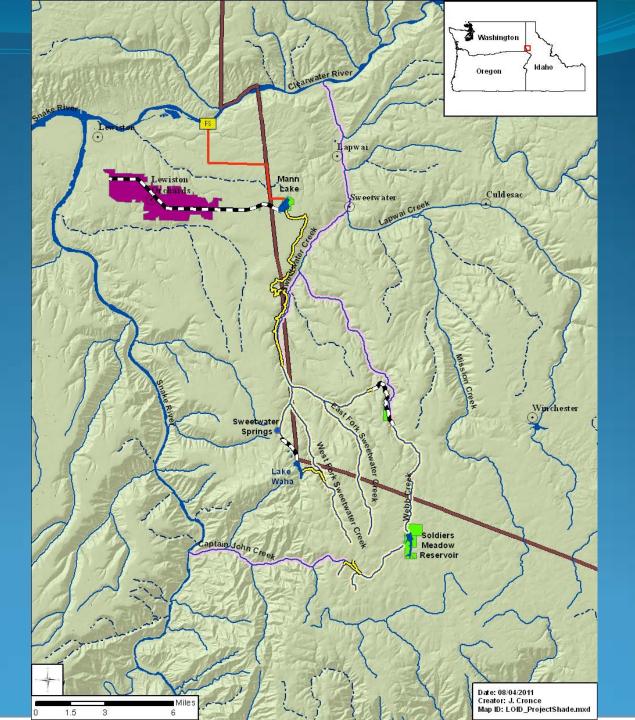
Formal letters of support for LCEP concept

- Governor Otter
- University of Idaho Waters of the West Program
- NOAA Fisheries Northwest Region
- Columbia River Inter-Tribal Fish Commission
- Clearwater Basin Collaborative

• Active Participants

- Senator Crapo
- Senator Risch
- Congressman Labrador
- State Senator Stegner
- State Representative Rusche
- Idaho Dept. of Fish & Game
- Idaho Office of Species Conservation
- Clearwater Power Company
- Avista

Lower Clearwater Exchange Project



LCEP MOU OBJECTIVES

Permanently solve 3 recurrent problems with Reclamation's existing Lewiston Orchards Project

- (1) Adverse effects on ESA-listed Snake River steelhead from the existing LOP and its location on ESA-designated critical habitat.
- (2) Inadequate water quantities, quality, and reliability for Lewiston Orchards Irrigation District.
 - (3) Adverse effects on the Nez Perce Tribe and its people, including impacts to natural resources and to cultural and religious water uses, resulting from predominant location of the LOP on the Nez Perce Reservation.

LCEP MOU Key Concepts

- Lewiston Orchards Irrigation District obtains new water rights from main Clearwater (8,500 AF) to meet its needs.
- Existing LOP water rights in Sweetwater watershed (10,500 AF) would be protected (State water bank) and applied to beneficial uses in helping to meet State-held minimum stream flows in the Sweetwater/Webb/Lapwai watershed.

Key Purpose # 1: FLOWS and WATERSHED BENEFITS

 Restores flows in Sweetwater/Webb/Lapwai watershed for ESA-listed Snake River steelhead and ESAdesignated critical habitat

Complements Region's investment in this watershed...

EXISTING/ONGOING RESTORATION ACTIVITIES

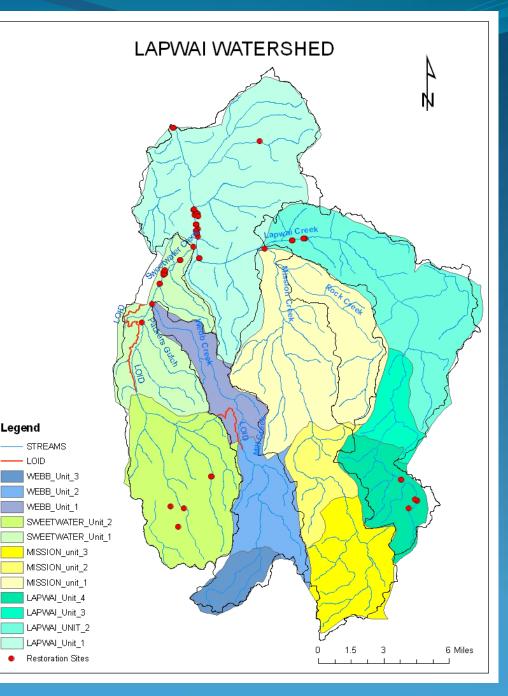
- Aquatic organism passage Bank stabilization
- Fence riparian protection
- Floodplain creation
- Off-site water locations
- Riparian planting
- Road decommissioning
- Weed control
- Wetland restoration

FUNDING PARTNERS

- BPA
- **ECOTRUST**
- NOAA Fisheries
- NRCS
- PCSRF
- U.S. Fish and Wildlife Service
- Snake River Basin Adjudication
- Program

COLLABORATIVE PARTNERS

- Nez Perce Tribe Fisheries
- U.S. Army Corps of Engineers
- Idaho Dept. of Fish and Game
- Idaho Governor's Office of Species Conservation
- Idaho Transportation Department Nez Perce County Road District Nez Perce Soil and Water Conservation District



RESTORATION ACTIVITIES

\$2,100,000 expended since 1996 to address factors limiting salmonid production within Lapwai watershed.

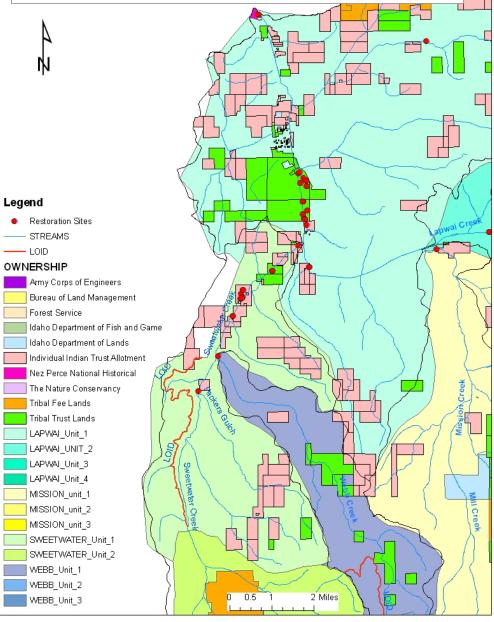
\$971,300 expended since 1996 within the action area on restoration activities addressing limiting factors.

Restoration actions conducted upon 9 sites through action area.

Restoration activities currently occurring on 5 sites throughout action area.

While restoration activities to date have been effective, they are surpassed by potential of LCEP to address limiting factors.

RESTORATION LOCATIONS WITHIN THE ACTION AREA



WHAT ARE THE LIMITING FACTORS IN THIS WATERSHED?

- FLOW
- Water Temperature
- Water Quality
- Passage
- Habitat Diversity
- Sedimentation

The LCEP directly addresses five of the six limiting factors.

Key Purpose #2 RELIABLE WATER SUPPLY FOR LOID

- LOID service area
 - ~18,500 population
 - 3,848 gross acres
 - Primary water uses = non-commercial irrigation, domestic/residential, municipal, and some industrial
- Water shortages over past decade, resulting from:
 - Natural water supply unpredictability
 - Canal and reservoir conditions and inefficiencies
 - Climate change trends
 - ESA requirements

Key Purpose #3 NEZ PERCE PEOPLE, LAND, RESOURCES AND CULTURE

• Historic -- and ongoing- injustice to the Nez Perce

Project origin and location on Reservation and individual Indian trust lands, subsequently operated by the United States to the harm of the Tribe and its interests since 1947.

- Impacts to Nez Perce Reservation watershed, Lapwai Valley
- Impacts to Nez Perce Treaty-reserved fisheries
- Impacts to Nez Perce cultural and religious use of water, particularly as to Sweetwater Creek

Unique Collateral Benefits of LCEP

Ideal "Climate Change" project

Sweetwater Spring, the largest year-round cool water spring in lower Clearwater subbasin would be restored

Potential "Wind Integration" project

Small, but we have had contact from BPA about the concept of contracting with many small pump storage projects that could be integrated with wind power variabilities.

LCEP Complements Council's Fish and Wildlife Program

Successful completion of the LCEP will achieve components of several objectives described in the Council's Clearwater Subbasin Management Plan, including:

- Increase anadromous fish productivity and production, and life stage specific survival through habitat improvement.
- Restore adequate flows where hydrographs have been altered.
 - Cooperate with user groups where hydrographs have been altered by high surface withdrawals.
 - Reduce the number of artificially blocked streams by 2017. Reduce water temperatures.

LCEP Complements Council's Fish and Wildlife Program

The LCEP will also solve this specific problem identified in the Plan:

"Intensive water use resulting in substantial reductions in habitat availability or condition pertains specifically to LOID water use..." (Council, 2005, p 83)

Looking ahead

- In July 2010, the LCEP MOU partners sought and were successful in obtaining funding from Reclamation's Rural Water Supply Program to complete an Appraisal Investigation of the LCEP. In addition, Reclamation and NOAA Fisheries provided \$100,000 to assist with the LCEP effort.
- In January 2011, the Nez Perce Tribe, NOAA Fisheries, and Reclamation requested a stay of pending ESA litigation based on an Agreement that: Governs LOP operations from 2011 to 2013;
 - Commits these parties to advance the study and investigation of the LCEP as a potential comprehensive solution to the existing LOP issues
- The Appraisal Investigation is nearing completion.
- The LCEP partners will be seeking funding from Reclamation's Rural Water Supply Program to complete a Feasibility Study.
- The LCEP partners look forward to continuing to share information with the Council and others about this project and building additional partnerships.