

Tom Karier
Chair
Washington

Frank L. Cassidy Jr.
"Larry"
Washington

Jim Kempton
Idaho

Judi Danielson
Idaho



Joan M. Dukes
Vice-Chair
Oregon

Melinda S. Eden
Oregon

Bruce A. Measure
Montana

Rhonda Whiting
Montana

Council Meeting Astoria, OR

September 12-14, 2006

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.

Power Committee chair Jim Kempton reported that the committee went through BPA's Regional Dialogue proposal and will provide comments for the Council to consider sending to BPA. The Resource Adequacy Forum has decided on an implementation plan for the regional standard, and we will have a vote on that later in the meeting. The committee also reviewed the Power Division's work plan and had updates on Bonneville's conservation targets and a proposal for more stringent commercial model conservation standards.

Rhonda Whiting, Fish and Wildlife Committee chair, reported that the package of recommendations on the Fiscal Year 2007-2009 funding will come before the full Council along with two within-year funding requests.

Larry Cassidy, chair of the Public Affairs Committee, reminded the Council that it is just three months until the big finale for the celebration of the 25-year anniversary of the Northwest Power Act.

1. Approval of 2007-2009 Draft Recommendations of Basinwide / Mainstem on-the-ground and Multi-Province / Province project funding:

Doug Marker, director, fish and wildlife division; Patty O'Toole, program implementation manager; and John Shurts, general counsel.

Staffer Doug Marker rolled out the discussion of 2007-09 fish and wildlife project selection, pointing out that by the end of the meeting, the Council will decide whether to send out the package of recommendations for public comment. Staff suggests taking comments through October 6 to allow us time after the deadline to prepare for our next meeting in Helena, Montana.

Dukes made a motion that the Council release for public comment its recommendations for fish and wildlife program project funding in Fiscal Years 2007 through 2009 as outlined by the staff and approved by the Fish and Wildlife Committee and direct the staff to give notice of the opportunity for comment, with changes adopted by the members at today's meeting. Eden seconded the motion, which passed unanimously.

2. Presentation by the Columbia River Inter-Tribal Fish Commission on the role of the Commission and its member tribes in implementing the Northwest Power Act.

Jamie Pinkham of the Nez Perce Tribe introduced a panel of CRITFC representatives: Fedelia Andy of the Yakama Nation; Kathryn Brigham of the Confederated Tribes of the Umatilla Indian Reservation, and Robert Taylor of the Nez Perce Tribe. The panelists described the importance of Columbia River salmon to their way of life and urged the Council to pursue more funding for its fish and wildlife program.

3. Panel on estuary survival issues:

Representatives from NOAA, LCREP and the Pacific Northwest National Laboratory.

Cathy Tortorici of NOAA Fisheries described the Columbia River estuary as one of three major ecosystems inhabited by salmonids. It's the place where juveniles and adults make the transition from fresh to salt water and back again, she said. The estuary provides vital habitat for salmonid survival, Tortorici said. Research is showing us a lot about how fish use this part of the river, and studies tell us that all of the anadromous species use the estuary, she added.

Phil Trask of Pacific Northwest Laboratory explained the work being done to develop the estuary module for NOAA Fisheries' ESA recovery plans. He said survival estimates indicate about 98 million of the 200 million juvenile salmonids produced in the basin enter the estuary. About 40 million of those fish survive and go out into the ocean, and of those, about 1.7 million return as adults, according to Trask.

The message here is that the estuary is extremely important and has been overlooked in management actions, Tortorici indicated. We need to think about how all of the periods in the salmonid lifecycle interconnect and how it all should integrate in system management, she said.

4. Report on power system July 24, 2006, hot weather event:

Wally Gibson, manager, system analysis and generation.

A hot-weather event July 24 "threw a new wrinkle" into our work on a regional resource adequacy standard, staffer Terry Morlan acknowledged. According to Morlan and staffer Wally Gibson, the experience was "a wake-up call" with regard to assuming the region is okay on resource adequacy during the summer months. The region's independent power producers (IPPs) were sending power to California to meet loads, leaving the Northwest short when temperatures sizzled and loads spiked in July, the staff analysis showed.

Gibson went over the circumstances leading up to July 24, when hot temperatures in the Northwest and California pushed peak loads well above estimates.

Staffer John Fazio said the resource adequacy steering committee and a team from the Council, Bonneville, and the Northwest Power Pool are reviewing the July 24 event. We will be preparing a full written report, he said.

5. Council decision to release Resource Adequacy Forum implementation paper for comment:

Wally Gibson; and John Fazio, senior power systems analyst.

On the heels of the staff report, the Council voted to release the Resource Adequacy Forum's implementation paper for public comment. Dukes made a motion that the Council release the draft Pacific Northwest Resource Adequacy Implementation Plan for public comment and direct the staff to give notice of the opportunity for comment. Eden seconded the motion, which passed unanimously.

6. Council decision on within-year project funding requests:

Doug Marker; and Mark Fritsch, manager, project implementation.

– Project 2000-001-00 Improvement of Anadromous Fish Habitat and Passage in Omak Creek

Marker explained that two projects had come up for within-year funding adjustments. Sponsors of the Omak Creek project saw a lot of added cost at the end of the fiscal year and the Fish and Wildlife Committee recommended adding money to their 2006 budget, but only half of what they requested, he said.

Dukes made a motion that the Council recommend Bonneville provide additional funding for the culvert replacement project in Omak Creek that is part of Project 2000-001-00, *Improvement of Anadromous Fish Habitat and Passage in Omak Creek*, in an amount not to exceed \$82,686 in Fiscal Year 2006 expense. Cassidy seconded the motion.

This is a complete miscalculation on the sponsor's part, Danielson said. We've seen some strange things in these within-year requests, and we need to encourage the Budget Oversight Group (BOG) to get its arms around this, she said. The motion passed unanimously.

– Project 1992-061-00, Albeni Falls Wildlife Mitigation

Marker explained that Bonneville saw an opportunity to use an unneeded transmission facility site for the Albeni Falls wildlife mitigation project. Dukes made a motion that the Council recommend that Bonneville fund a land acquisition as part of Project 1992-061-00, Albeni Falls Wildlife Mitigation, in an amount not to exceed \$122,500 in Fiscal Year 2006 capital funds. Cassidy seconded the motion, which passed unanimously.

Comments from local fishing interests.

Four panelists with an interest in the Lower Columbia River fishing industry stressed the importance of robust salmon runs. Bruce Buckmaster talked of the time when hundreds of fishing boats and 35 canneries were the mainstay of the economy at the mouth of the river, and said a number of groups on both sides of the river are working together on ways to enhance the economic opportunity the salmon offer.

Reverend Irene Martin spoke of the economic dislocation and social problems that accompanied the downturn in the Columbia River gillnet fishery. Martin urged continued funding for the Select Area Fishery Evaluation (SAFE) project.

I can't imagine the Northwest without salmon – "it is a part of our heritage," Washington State Senator Mark Doumit told the Council. Salmon recovery is essential to the well-being of this region, Oregon State Senator Betsy Johnson stated. We are all beneficiaries of healthy salmon runs, she said.

7. Council Business:

– Approval of minutes

Dukes made a motion that the Council approve for the signature of the Vice-Chair the minutes for the August 15-16, 2006 Council meeting held in Spokane, Washington. Cassidy seconded the motion, which passed unanimously.

– Charter renewal for Natural Gas Advisory Committee

Eden made a motion that the Council approve the charter of the Natural Gas Advisory Committee as presented by the staff and appoint Terry Morlan as Chair and Jeff King as Vice Chair. Cassidy seconded the motion, which passed unanimously.

– Approval of release of Draft Annual Report to Congress release for public comment

Dukes made a motion that the Council release for public comment the draft Fiscal Year 2006 Annual report with member Kempton's comments incorporated and direct the staff to give notice of the opportunity for comment. Cassidy seconded the motion, which passed unanimously.

8. Council decision to release Council comments on Regional Dialogue Draft Policy:

Terry Morlan, director, power division.

Kempton reported that the Power Committee had come to agreement on comments to send to the Administrator on Bonneville's Long-Term Regional Dialogue policy proposal. If the Council approves the letter, it can go with folks who are heading to Washington, D.C. next week, he said.

The Council's comments are generally supportive of the Regional Dialogue proposal, Morlan stated. He pointed out that Bonneville's proposed policy would change the way the Northwest Power Act works. Some things in the Act have worked well, but others have not, Morlan said.

In the latter category, for example, the Act contemplated Bonneville to be the acquirer of resources for its customers, he said. But in the two instances when Bonneville attempted a major resource acquisition, it resulted in two of the biggest rate increases the region has seen, Morlan stated.

Karier agreed that the language would not bind the Council to any course of action. Kempton made a motion that the Council adopt the comments to Bonneville on Bonneville's Regional Dialogue proposal presented by staff and recommended by the Power Committee, with changes adopted at today's meeting, and direct staff to send the comments to the Bonneville Administrator over the signature of the chair and otherwise make the comments public. Eden seconded the motion, which passed unanimously.

9. Presentation on the proposed Bradwood Landing LNG facility:

Paul Soanes, president, NorthernStar Natural Gas.

Paul Soanes, president of NorthernStar Natural Gas, briefed the Council on his company's proposed liquid natural gas (LNG) terminal at Bradwood Landing on the lower Columbia River. The long-term supply and demand for natural gas in the Pacific Northwest justifies the company's pursuit of a terminal, he said. Natural gas has surpassed electricity as the primary source of energy in this region, Soanes said. The impending squeeze on natural gas supplies will cause prices to go up, and LNG can be part of the solution, he told the Council.

George Exum of Wahkiakum Friends of the River and Dan Sears of the Columbia River Clean Energy Coalition told the Council the proposed LNG terminal could have negative consequences for the lower river. It will require dredging and could damage habitat for fish, Exum said. Sears pointed out that LNG tankers require large exclusion zones, which could impact upriver traffic and fisheries. He also disagreed about the need for a larger gas supply into the region and cited studies that show speculation in energy has caused most of the price hikes in the natural gas market.

The Council meeting adjourned at 9:35 a.m.

Approved October _____, 2006.

Vice Chair

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